UNITED
NATIONS

DP

Governing Council
of the
United Nations
Development Programme

Distr.
GENERAL

DP/1992/12
31 March 1992

ORIGINAL: ENGLISH

Thirty-ninth session
4-29 May 1992, Geneva
Item 2 of the provisional agenda

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1991

INTRODUCTION BY THE ADMINISTRATOR

1. The year 1991 was very eventful for the United Nations Development Programme (UNDP). It was also a year of steady progress towards putting into practice the new orientations for technical cooperation, laid down by the international community. It was, in short, a year of challenges and change. The challenges stemmed primarily from the recent major shifts in global priorities. The changes reflected in part the UNDP response to these new challenges - which are also opportunities - and in part its ongoing efforts to meet more effectively the older and persistent challenge of development. In particular, UNDP continued and intensified the refocusing of its policies, strategies and activities in conformity with General Assembly resolution 44/211 of 22 December 1989 on the comprehensive biennial policy review of operational activities for development of the United Nations system.

I. NEW ORIENTATIONS FOR TECHNICAL COOPERATION

2. The report of the Administrator for 1990 (DP/1990/10), the year in which UNDP celebrated 40 years of technical cooperation for development in the United Nations system, the major points of discussion were the ongoing and new challenges posed by development and the evolution of thinking on technical cooperation. It concluded that UNDP had also evolved considerably and that it was fully abreast of the current concerns and thinking on development. The main task in 1991 - and it will remain so for the immediate future - was to translate this awareness into operational terms.

3. The landmark resolution 44/211 of the General Assembly provides the basis for the reorientation of the operational activities of the United Nations and includes specific calls for action. The resolution finds a direct echo in a number of decisions taken by the Governing Council in 1990 and 1991.

4. More recently, in December 1991, the Development Assistance Committee (DAC) of the Organization for Economic Cooperation for Development (OECD) endorsed a document entitled "Principles and New Orientations for Technical Cooperation". This document, in the preparation of which UNDP was invited to participate, reflects a philosophy close to that of the United Nations on the subject of technical cooperation.

5. The new orientation for technical cooperation may be broadly characterized as follows:

(a) National plans and objectives are the only viable frame of reference for technical cooperation;

(b) Technical cooperation must be integrated with national plans and objectives for relevance and impact;

(c) Technical cooperation should follow a programme approach, i.e., it should support priority, national development objectives and not confine its concern to the immediate, narrower objective of a programme component or project;

(d) The responsibility for national development lies with the Government, which also bears the prime responsibility for the effectiveness of the technical cooperation it receives;

(e) Technical cooperation must be flexible, responding to new needs and changes as they arise;

(f) The goal of technical cooperation is to build and strengthen national capacity for development. Where national capacities exist already, they should be used fully in the cooperation process: this goal, together with considerations of cost, requires that external inputs be used only when strictly necessary.

6. These are the principles which have guided UNDP in its operational activities.

7. In addition, there are considerations of particular relevance in the context of the United Nations. Relating primarily to coordination, they are that the operational activities of the United Nations system should be coordinated both in the system itself and with the external cooperation offered by donors outside the system; more specifically, each entity should seek to identify its comparative advantage as a development partner.

8. Most of the features outlined above are not new either to technical cooperation or to UNDP, although they have been forcefully reaffirmed. A few features are new or have been newly articulated: the promotion of the programme approach and the emphasis on impact and results rather than outputs; the concept of comparative advantage among donors; and the clear placing of prime responsibility for the effectiveness of technical cooperation with national authorities.

Programme approach

9. By stressing the impact of technical cooperation on national objectives and programmes and by regular monitoring to ensure flexibility, as well as by advocating national execution where feasible, UNDP has already begun the move to a programme approach and to give more focus to its cooperation at the country level. The new country programmes will be far more explicitly supportive of national objectives and programmes than previous country programmes, which tended to support a sizeable number of stand-alone national projects.

10. However, many country programmes have been formulated without the benefit of a common understanding of what is meant by the term "programme approach": in fact, it was interpreted in several different ways both within and outside the United Nations system. In 1991, UNDP took upon itself the task of defining the "programme approach", involving donor and recipient Governments and United Nations system colleagues in the process. Considerable progress was made and agreement has been reached on many aspects of the programme approach, notably on one key point: that "programme" refers exclusively to a national programme (by extension also to a regional programme) and not to that of a donor.

11. It is also clear that articulated, comprehensive programme frameworks are the exception rather than the rule in most countries. Consequently, future UNDP cooperation in many cases will be to help in the formulation of such frameworks. A preliminary analysis indicates that the heart of the comparative advantage of UNDP lies in a shift upstream, towards cooperation in policy and programme formulation and management, to which the specialized agencies of the United Nations system, in fulfilment of their own mandates or under the provision of the successor arrangements to support costs, will be able to contribute. Such a shift will also contribute significantly to aid coordination and resource mobilization by helping to provide a framework for the integration of external cooperation into national development efforts.

12. The project as the vehicle for delivering technical cooperation will continue for some time, albeit with changed emphasis. Its limited duration and separate budget provide assurance of accountability to donors. However, the same features are also considered by some to be weaknesses which render projects inflexible, too narrow in scope and keep them separate from the larger national effort. While continuing to use the project as a mechanism for delivery, much can be and is being done to orient it towards a national objective and programme. Vertical linkage with the national objective is being stressed, as are horizontal linkages with related programme components. Emphasis is placed on achieving impact and flexibility rather than on the monitoring of predetermined inputs. Above all, where feasible, national programme managers are being encouraged to take on the responsibility for the execution of UNDP technical cooperation.

13. Recognizing some of the inherent shortcomings of the project - its relative lack of flexibility and fungibility - UNDP is examining the

possibility of an alternative mechanism which would be directed more broadly at a national programme.

14. In introducing changes to orient UNDP support more towards national objectives and programmes, whether through a revised project format or a new programme support mechanism, care will be taken to ensure that the Administrator's accountability to the Governing Council is neither diminished nor impaired. The aim will be to maintain financial accountability while improving accountability for the results obtained with UNDP resources.

National execution

15. Following on the advocacy of national execution in General Assembly resolution 44/211 and Governing Council decision 91/27, UNDP has reviewed its relevant policies and procedures. In so doing, it has borne in mind the principles of accountability reaffirmed in paragraph 24 of General Assembly resolution 44/211. Fully committed to the concept of national execution, UNDP views it as a corollary to national management capacity: where the latter does not exist, the conditions for national execution would not be met and would need to be created. By the same token, the priority of a development objective might be questioned if it did not warrant the assignment of qualified national personnel to manage the related programme. Where specific skills are missing, for example accounting, auditing or reporting, they could be provided through appropriate training or services. Where essential management skills and experience are missing, it would be inappropriate to insist on national execution. Instead, in such cases, the focus should be on helping to build management capacity.

16. It is now widely understood that national execution should not and does not preclude the involvement of the specialized agencies of the United Nations. On the contrary, their specialist support, based on global experience, is strongly encouraged where relevant and competitive. The successor arrangements for agency support costs specifically provide a financial facility to ensure the participation of United Nations specialized agencies in nationally executed activities.

Successor arrangements for agency support costs

17. In paragraph 25 of its resolution 44/211, the General Assembly encourages the Governing Council to consider the question of successor arrangements for agency support costs. As already reported, this topic has been subjected to intensive debate and discussion, both in the Council and between the UNDP secretariat and the executing agencies. A new formula was agreed upon by the Council in its decision 91/32. It offers Governments the choice of how they wish to formulate and implement UNDP-funded cooperation.

18. Guidelines on national execution and successor arrangements for agency support costs were drawn up in 1991 and become effective in 1992.

Coordination and harmonization

19. In General Assembly resolution 44/211, several operative paragraphs are devoted to the related subjects of aid coordination and harmonization and the simplification of rules and procedures.

20. UNDP continued to give its strong support in 1991 to the Administrative Committee on Coordination (ACC), and its subsidiary bodies, to the Joint Consultative Group on Policy (JCGP) and the Office of the Director General (now a part of the Department of Economic and Social Development), all of which are mandated to rationalize the operational activities of the United Nations system.

21. Specifically, in the country programming exercises, the possibility was reviewed in each case of synchronizing the exercise with those of JCGP partners. In several instances, adjustments in the timing of the exercises were made to this end. Similarly, UNDP with the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF), has commissioned a study of the scope for harmonizing the accounting and auditing requirements for national execution, with the aim, if possible, of reducing the burden imposed on national authorities by the existing differing procedures.

22. Significant progress was recorded during 1991 in the area of procurement, for example in the standardization of motor vehicles for project and office use and in the adoption of the United Nations Common Coding System (UNCCS). The Inter-Agency Procurement Services Office (IAPSO) also intensified its efforts to increase procurement from developing and underutilized major donor countries: it published catalogues on potential suppliers in Denmark, Finland, India, Netherlands and Zimbabwe. Broadening the base of procurement was stressed in paragraphs 21 and 22 of resolution 44/211.

23. A promising initiative begun in 1991 was the workshops for country teams conducted by the Turin Centre. The workshops bring together country representatives of the entities of the United Nations system from four or five countries for discussion and briefing on operational activity issues of common interest. UNDP has enthusiastically supported this initiative, which was well received by the participants. The workshops have undoubtedly contributed to forging the multidisciplinary teams called for in paragraph 15 of resolution 44/211, to support Governments at the country level.

24. Through these mechanisms and initiatives, UNDP is working, with its partners in the United Nations system, for the coherent coordination of the response of the system to the needs of the recipient countries.

25. In 1991, UNDP continued to lend its support to Governments in their coordination of external assistance. In addition to daily, ongoing contacts with donors and recipients, UNDP organized round-table meetings for six countries and assisted with sectoral consultations in 11 others. National technical cooperation assessment and programmes (NATCAPs) are ongoing in 35 countries. They will provide an important tool for the more effective and better coordinated programming of technical cooperation.

Decentralization

26. The General Assembly called for decentralization of capacity and authority in the United Nations system to the country level to increase responsiveness to the needs of developing countries. The Administrator commissioned a study of the organizational structure of UNDP by a management consultant firm. In the subsequent report entitled A Strategy-Based Senior Management Structure for the United Nations Development Programme (DP/1991/50) the consultants recommended that UNDP be restructured on the basis of strategic decentralization. Certain of the specific recommendations have been acted upon, notably the amalgamation of the units handling external relations, resource mobilization and public affairs, and the bringing together of the various administered funds under the Bureau for Programme Policy and Evaluation (BPPE) for better policy cohesion. Also in 1991, an analysis was launched of Headquarters functions to determine the scope for further rationalization and decentralization. The approach is to retain the policy, external relations, finance and personnel functions at Headquarters and to transfer most discrete programme-related functions to the country level. This approach clearly requires that reporting and accountability systems keep top management fully and frequently informed of essential events and data.

27. UNDP is convinced that decentralization will better serve the interests of the developing countries, mainly by permitting a swifter response to requests from Governments. However, decentralization measures can be implemented only as and when the Administrator is confident of the ability of the UNDP field staff and the management systems to carry out the policies and functions in an effective and accountable manner. Procedures and staff training are being reoriented to that end.

28. In keeping with the letter and spirit of the General Assembly's concern with efficiency, core posts in the UNDP headquarters biennial budget for 1992-1993 were reduced by 15 per cent. In this broad context and as outlined in the budget strategy for 1994-1995, the cost of the UNDP field presence should not be contrasted exclusively with the technical cooperation delivered. Increasingly, as UNDP enters deeper into policy dialogue with its national partners at the country level and performs important services for the United Nations system as a whole, the field offices themselves constitute a significant part of that delivery.

29. Both the Governing Council and the Administrator have striven to follow up on General Assembly resolution 44/211. Considerable progress has been achieved in the intervening two years to move from words to actions. Above all, national aspirations and capacities have been reaffirmed as the centrepiece of technical cooperation.

30. UNDP has also moved to decentralize progressively its operations to be as responsive as possible to local needs, while at the same time implementing global mandates, including emerging ones such as those relating to the environment and the HIV epidemic. Its country presence, which is the most extensive in the United Nations system, its multisectoral mandate, and its

supportive role in aid coordination all equip UNDP uniquely to work in true partnership with its recipient member countries in the spirit of new cooperation embodied in resolution 44/211 and reaffirmed in resolution 46/219.

Senior Management Meeting, Princeton

31. Since UNDP was established in 1966, it has been the practice to convene periodically a meeting of all Resident Representatives and senior headquarters staff. In September 1991, the sixth such meeting was held in Princeton, New Jersey, United States. Given the changes, including the evolution of thinking on technical cooperation, which had taken place in the world since the previous meeting, held in 1985 in Copenhagen, Denmark, the Princeton meeting was an invaluable opportunity to ensure a common understanding of key issues by UNDP senior management in the field and at Headquarters. It fully demonstrated the need for and usefulness of such periodic gatherings. A Statement of Purpose for UNDP was unanimously adopted by the meeting (see annex II to the report of the Administrator on the Senior management structure contained in document DP/1992/45).

II. PROGRAMMES FOR THE FIFTH PROGRAMMING CYCLE (1992-1996)

32. The fifth programming cycle runs from 1992 through 1996 and the majority of country programmes coincide more or less with that period. The preparations for the fifth programming cycle, begun in 1990, have thus been the principal task for UNDP in 1991. Although some of the newer concepts relating to technical cooperation continue to evolve, UNDP has endeavoured to align the new country programmes with the philosophy and prescriptions of General Assembly resolution 44/211 and related Governing Council decisions, notably 90/34. This should be evident in the fifth cycle country programmes submitted to the Governing Council for its approval.

33. The new country programmes identify national priority objectives for human development. They outline the scope and nature of external cooperation and related coordination mechanisms. They review past experience to draw out lessons for future programming, including those areas where the proven comparative advantage of UNDP lies in the country context. They go on to describe the preparatory process and the strategy for the optimal use of UNDP resources. They then present the areas of concentration for future UNDP cooperation. In so doing, they indicate where the expected impact will be found and outline any other donor contributions to the selected areas of concentration. Finally, they present management issues such as the arrangements for the execution and monitoring of the country programme. While the country programmes are firmly rooted in national plans and objectives, they also address, in full or in part, the six areas of focus delineated by the Governing Council in its decision 90/34. This interrelationship is summarized in a matrix annexed to each country programme.

Programming: a continuous process

34. The fifth cycle is built on and emphasizes the continuous nature of programming. The country programme documents presented to the Governing Council for this cycle might be described more accurately as strategy statements for the programming of UNDP resources. Indeed, the section headed "Strategy for UNDP cooperation" emerges as the heart of the document. It states how the limited resources and services of UNDP will be used to obtain the maximum impact on capacity-building for national human development goals.

35. The natural and essential corollary to the shift from a project, input-oriented country programme document to a strategic statement is the need to establish performance indicators for the UNDP-supported activities as well as regular, transparent review and evaluation mechanisms. The mid-term review of the country programmes assumes particular importance in ensuring that the strategy adopted for UNDP cooperation remains valid and that progress is being made towards the attainment of national objectives.

36. The new country programmes represent a major, consolidated step to reorient UNDP technical cooperation in line with General Assembly resolution 44/211. This step will, of course, be followed and reinforced by ongoing and subsequent initiatives such as criteria and guidelines for performance indicators and revised guidelines for mid-term reviews.

Intercountry programmes

37. While country programmes account for the bulk of UNDP resources, the regional, interregional and global programmes constitute important complementary activities. Preparations for the fifth cycle were well under way in 1991. A meeting of African officials, held in Windhoek in November, reviewed the proposed Africa regional programme; similar meetings for Asia, Europe, and Latin America and the Caribbean took place in January 1992.

38. Some notable regional cooperation initiatives received UNDP support in 1991. Four cluster meetings for Ministers of Planning and Finance in Africa centred on regional and subregional approaches and solutions to common problems. In North Africa, UNDP helped to promote cooperation between Maghreb countries; this culminated in the formation of the Arab Maghreb Union in May 1991. In Asia, representatives of China, the Democratic People's Republic of Korea, Mongolia and the Republic of Korea met in Pyongyang in October under the chairmanship of UNDP to begin work on a subregional plan for economic cooperation, based principally on the development of the Tumen River delta. In Latin America, UNDP continued to play the lead role in cooperation for the implementation of the Special Plan of Economic Cooperation for Central America. Finally in Europe, UNDP support was provided to two environmental programmes: the cleaning of the Danube River Basin and of the Black Sea.

Substantive issues

39. The substantive content of the new country programmes derives first and foremost from the national priorities of the recipient countries. However, the UNDP mandate and its own areas of focus have guided the selection of the priority areas of concentration for cooperation as well as the determination of the nature of the UNDP contribution to those areas. Consequently, there is a strong focus on the environment and the sustainable use of natural resources; on poverty eradication and widespread participation in development; on management development, especially for economic and social reform; on the role of women in development; on the transfer and adaptation of technology; and on technical cooperation among developing countries (TCDC).

40. These areas of focus are also present in the ongoing activities supported by UNDP. The main programme record, submitted to the Governing Council as an addendum to the present report (DP/1991/12/Add.1), provides examples of initiatives and achievements in this respect. The focus will undoubtedly intensify as the programmes and projects supported in the new country programmes become operational. At the express request of the Governing Council, highlights of UNDP initiatives and activities in three thematic areas follow.

Environment and development

41. In support of the focus on environment, UNDP has been helping a large number of countries with their preparations for the United Nations Conference on Environment and Development (UNCED). In 1991, UNDP also completed its handbook and guidelines for environmental management and sustainable development. It is intended to enable users to identify environmental opportunities as well as constraints when pursuing economic and social development objectives.

42. With its partners the World Bank and the United Nations Environment Programme (UNEP), UNDP selected the first batch of proposals for financing from the Global Environment Facility (GEF). The budgets of the selected proposals total $450 million, of which $166 million relate to technical cooperation for which UNDP will be responsible.

43. Based on the country programmes so far submitted and on the enhanced awareness of environmental issues generated by UNCED, it is apparent that the environment will feature far more on both national and international agendas. To the extent that environmental concerns must be integrated with development, and given the multisectoral nature of environmental programmes, UNDP is well placed to translate concern into operational activities.

Women in development

44. Country programmes already submitted to the Governing Council indicate a major increase in demand for a greater focus on the mainstreaming of women in development and much greater awareness of the critical need to integrate

gender issues at all programming levels. JCGP activities such as the subregional gender training workshop in Yaounde for francophone African countries and the study on the operational gender-related implications of structural adjustment for JCGP members, have shown increased desire to focus on gender issues in activities of United Nations agencies and national governments.

45. This desire to focus more on gender issues has led to increased requests for gender training at the field level. Six national and four subregional workshops were implemented in 1991 with participation from government officials, United Nations specialized agencies and UNDP staff. A JCGP women in development initiative was undertaken in Ethiopia to develop a country women in development strategy within which the programmes and projects of JCGP agencies can be re-oriented in a more gender-responsive practice.

HIV and development

46. The HIV epidemic is different from other previous or current epidemics and other obstacles to human development. The magnitude of the epidemic, its inevitable toll on human life, the nature and speed of its spread and the social and economic plight of those infected are already bringing consequences which have an impact on every aspect of human life: personal, communal, social, political and economic. The response must be multisectoral and interdisciplinary. UNDP is strongly committed to playing a major role in the efforts at all levels.

47. Within the framework of the Global Strategy on AIDS and the UNDP/WHO Alliance to Combat AIDS, and as a further reflection of its commitment to this critically important development issue, the Governing Council adopted in 1991 a policy framework for the role of the organization. The HIV and Development Programme has subsequently been established within the Division for Global and Interregional Programmes. The specific UNDP mandates for policy and programme development are: to help to increase awareness and understanding at global and national levels of the development implications of the epidemic; to support community-based programmes and programmes for women; to strengthen national capacities to develop effective multisectoral HIV strategies; and to minimize the adverse effects of the epidemic.

III. AN EVENTFUL YEAR

Human development

48. The Human Devlopment Report 1991 carried forward the work initiated in the first report for 1990. The human development index (HDI) was refined and updated and an analysis presented of the extent to which national budgetary allocations reflect human development concerns. The concept of human freedom as an indispensable component of human development was also introduced.

49. The Human Development Report 1992 will update the HDI on the basis of 1990 data. It will also examine the international aspects of human

development, specifically the functioning of world markets for labour, capital, goods and services and their impact on human development. The report will also examine how human development can strengthen the competitive edge of a country and its position in the international economic system.

50. A memorable event in 1991 was the signing of the Commitment of Tegucigalpa by the Presidents of five Central American countries and Panama and the Prime Minister of Belize. The Commitment created the Central American Human Development Council and established a new regional programme on human development. The Administrator and the Executive Director of UNICEF were invited to participate in the meeting.

51. Human development missions were organized by UNDP in 1991 to Bangladesh, Botswana, Columbia, Ghana, Indonesia, Pakistan and Viet Nam. The purpose of the missions was to assist Governments to review their policies and resource allocations so as to promote human development more effectively.

52. JCGP, chaired by UNDP in 1991, focused attention on the need to make human development the overriding operational concern, an issue of central concern to the five participating organizations.

53. There is no doubt that the sharper definition and focus of human development have brought a new dimension and impulse to the operational activities of the United Nations system, in line with the emphasis given to the human dimension of development by the General Assembly in paragraph 3 of its resolution 44/211.

Emergencies and humanitarian assistance

54. The occurrence of disaster emergencies generally reflects acute socio-economic fragility. Their direct impact exposes intense levels of poverty and suffering and their secondary effects can exact a crippling toll on the economies of developing countries. It is because of these links between disasters and development that UNDP is called upon to act.

55. Both natural disasters and those caused by conflict continued to erupt. From conflict in the Persian Gulf, through continued famine and conflict in Africa, through floods, volcanic eruptions and earthquakes in Asia (directly affecting some 28 million people), to epidemics in Latin America, 1991 was one of the worst years on record in terms of disaster. During the year, UNDP was requested to provide assistance to disaster and emergency situations in some 30 countries.

56. Tragically, population displacement caused by complex emergencies has continued to deteriorate, particularly in Africa. It is estimated that there are now over 20 million internally displaced persons and 17-18 million refugees. UNDP, in consultation with the Office of the United Nations High Commissioner for Refugees (UNHCR) and other agencies of the United Nations system, has been focusing on the long-term development needs of displaced populations and host communities as well as of returnees. In addition to

project activities, UNDP has detached or seconded staff to assist the efforts of the Secretary-General in Iraq and Somalia and has provided the Director and one other senior staff member for the United Nations Special Emergency Programme for the Horn of Africa.

57. In the wake of the cyclone in Bangladesh, which killed some 140,000 people in April, UNDP responded with emergency and reconstruction assistance totalling over $1.1 million. UNDP also spearheaded a ten-agency task force which assessed the rehabilitation and reconstruction needs. The report of the task force was the basis for a donor meeting in July, which resulted in the earmarking of more than $500 million for these needs. UNDP also played a pivotal role in the response to other significant natural disasters in China and the Philippines.

58. The most important role that UNDP plays in humanitarian assistance is through its network of field offices and resident representatives, acting as resident coordinators. The General Assembly, in its resolution 46/182, reaffirmed the pivotal role of resident coordinators in this respect: thus, UNDP involvement in humanitarian assistance, linking it to long-term development efforts, will continue to be crucial.

Restructuring of centrally planned economies

59. The restructuring of the former centrally planned economies in Central and Eastern Europe continued in 1991, culminating with the dissolution of the Union of Soviet Socialist Republics. The search for new forms of governance in the affected countries and the conversion of their economies to reflect market forces will remain a major challenge throughout the 1990s and beyond. The attention of the industrialized world is currently focused on the former USSR and its former Council for Mutual Economic Assistance (CMEA) partners. But there is a real danger that this focus will be at the expense of the traditional recipients of Overseas Development Assistance. It is essential that the international community recognize this danger and devise a strategy to meet the needs of all countries that are striving for improved human development.

60. Such a strategy would acknowledge that the former CMEA countries have educated workforces, physical and social infrastructures and, in most cases, substantial industrial bases and demographically stable populations. This situation contrasts sharply with that of a developing country, especially one in the least developed country (LDC) category.

61. Assistance to the former CMEA countries must be viewed with due regard to the complexity of the situation and the long period needed to restructure the economic, political and social systems. It should be concentrated on helping to create new policies and institutions which would increase the freedom of choice of the populations and promote the transition to political and economic pluralism. Immediate needs for humanitarian and technical cooperation are significant and call for a generous and flexible response.

62. UNDP has increased its cooperatiion with the East and Central European countries. UNDP offices were opened in 1991 in Warsaw, Poland and in Tirana, Albania and applications for UNDP recipient status were received from the three Baltic States, Estonia, Latvia and Lithuania, as well as from Belarus. The other states of the former USSR also expressed interest in technical cooperation with UNDP. The funding for cooperation with these countries as well as the coverage by UNDP of the country programmes are issues to be discussed by the Governing Council at its current session.

63. UNDP cooperation in these countries is sought particularly in sensitive areas of policy, where its neutrality - both political and sectoral - is appreciated. Advice has been provided on restructuring economies, including banking and property, on promoting entrepreneurship, and on creating an enabling environment for individual enterprise. The Transfer of Knowledge through Expatriate Nationals modality has been used effectively, notably in Czechoslavakia and Poland: former nationals of those countries, now resident abroad, have offered their professional skills at nominal costs to the lands of their birth.

64. An international conference, organized by UNDP in Ulaanbaatar in October at the request of the Mongolian Government, led to significant donor commitments. The conference, the first of its kind, was designed to support Mongolia's economic reform programme.

Governance

65. Based on its acknowledged neutrality, UNDP is increasingly being invited to cooperate in the issue of governance. Initiatives in the Latin America and Caribbean region were reported on in 1990. Further initiatives in 1991 related to the peace process in El Salvador, support to the electoral process in Guyana and moves towards political union among four Caribbean States. Similar cooperation took place in Africa. Support was provided to the Chairman of the Organization of African Unity for the Kampala Forum on Security, Stability, Development and Cooperation in Africa, held in Kampala, Uganda in May. In Ghana, UNDP cooperation was provided to develop multiparty constitutional arrangements and in Angola, to set up the electoral process.

66. Through initiatives relating to governance as well as through its increased focus in recent years on non-governmental sectors and organizations, UNDP is encouraging participation at all stages of the development process by a far wider spectrum of populations.

Cambodia and Lebanon

67. UNDP reopened its country office in Cambodia in 1991 with the appointment of a Resident Representative after an absence of 16 years. In Lebanon, the UNDP office was also reactivated. In both cases, cooperation is expected to focus initially on rehabilitation while longer term development strategies are being formulated. There are now 115 UNDP country offices.

Anniversaries

68. The year 1991 also marked notable anniversaries for the United Nations Capital Development Fund (UNCDF) and the United Nations Volunteers (UNV), which provide two important windows of opportunity for UNDP.

69. UNCDF completed 25 years of providing capital grants to LDCs, virtually the only fund of its type. The Fund organized a meeting in Japan in May 1991 sponsored by the Government of Japan. The meeting was a follow-up to the Second United Nations Conference on the least developed countries, held in Paris in 1990, which was aimed at enhancing resource flows to LDCs.

70. The twentieth anniversary of UNV also took place in 1991. This coincided with the Third Inter-Governmental Meeting on UNV held in December in Kathmandu, Nepal, at which more than 70 Governments participated.

71. More detailed reporting on UNCDF and UNV as well as other UNDP-administered activities is given in the main programme record (DP/1992/12/Add.1).

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Distr.
GENERAL

DP/1992/12/Add.1
3 April 1992

ORIGINAL: ENGLISH

Thirty-ninth session
4-29 May 1992, Geneva
Item 2 of the provisional agenda

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Addendum

MAIN PROGRAMME RECORD

CONTENTS

		Paragraphs	Page
I.	PROGRAMME RESOURCES	1 - 7	3
	A. Pledges	1 - 3	3
	B. Programme expenditures by source of funds, region and sectors	4 - 6	3
	C. New project approvals	7	4
II.	COUNTRY AND INTERCOUNTRY PROGRAMMES	8 - 125	4
	A. Africa	8 - 28	4
	B. Asia and the Pacific	29 - 61	9
	C. Arab States and Europe	62 - 95	15
	D. Latin America and the Caribbean	96 - 125	21
III.	GLOBAL AND INTERREGIONAL PROGRAMMES	126 - 140	27

92-15685 3079f (E) 220492 230492

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CONTENTS (continued)

		Paragraphs	Page
IV.	FUNDS ADMINISTERED BY THE UNITED NATIONS DEVELOPMENT PROGRAMME	141 - 179	30
	A. United Nations Capital Development Fund (UNCDF)	141 - 148	30
	B. United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE)	149 - 154	31
	C. United Nations Fund for Science and Technology (UNFSTD)	155 - 157	32
	D. United Nations Sudao-Sahelian Office (UNSO)	158 - 164	33
	E. United Nations Development Fund for Women (UNIFEM)	165 - 169	34
	F. United Nations Volunteers (UNV)	170 - 175	35
	G. Special Programme Resources (SPR)	176 - 179	36
V.	OTHER MAJOR PROGRAMMES	180 - 207	37
	A. Technical cooperation among developing countries (TCDC)	180 - 186	37
	B. Humanitarian assistance	187 - 192	39
	C. Inter-agency Procurement Services Office (IAPSO)	193 - 197	40
	D. Office for Project Services (OPS)	198 - 207	40

I. PROGRAMME RESOURCES

A. Pledges

1. Based on the results of the United Nations Pledging Conference held in November 1991 and on estimates of contributions from countries that were unable to pledge, 1992 voluntary contributions to the central resources of the United Nations Development Programme (UNDP) are estimated to amount to $1.065 billion. This represents an increase of 4 per cent over 1991. If contributions to UNDP-administered funds are included, as well as cost-sharing and trust fund contributions, total 1992 income is expected to exceed $1.3 billion.

2. Austria, Belgium, France and Spain raised their contributions by 8 per cent or more. Recipient countries that announced substantial increases include Czechoslovakia, the Democratic People's Republic of Korea, Guinea, Hungary, Lesotho and Poland. India, which has been the largest non-Organisation for Economic Cooperation for Development (OECD) donor for a number of years, increased its contribution by 40 per cent. Among recipient countries, eight countries each pledged $1 million or more: China, Hungary, India, Mexico, the Republic of Korea, Saudi Arabia, Sri Lanka and Thailand.

3. Pledges made by France, the Netherlands and Norway allowed them to maintain their positions among the top 10 donors. Sweden's multi-year system of pledging indicated a 1992 contribution that will allow it to continue as the second largest donor to UNDP, close behind the United States of America. Canada, Denmark, Germany, Italy and Japan, whose budgetary timetables did not coincide with the Pledging Conference, are also expected to be among the top 10 donors.

B. Programme expenditures by source of funds, region and sectors

4. Expenditures spent on field programme activities totalled $1.4 billion in 1991, rising from about $1 billion in the previous year. About one half of this amount went for project personnel; 18 per cent for project equipment, 16 per cent for subcontracts, 14 per cent for training and the remainder for miscellaneous expenses such as maintenance and operational costs (tables 2 and 3 of the statistical annex contain further details).

5. Traditionally, the largest share of field programme resources comes from the indicative planning figures (IPF) - almost 72 per cent in 1991. Cost-sharing contributions, which have been increasing over time, made up 22 per cent of these resources; the Special Programme Resources (SPR) 22 per cent; and the Special Measures Fund for the Least Developed Countries (SMF/LDC) 2 per cent. A more detailed breakdown is given in table 3 of the statistical annex.

6. Regionally, Africa absorbed 36 per cent of field programme expenditures; Asia and the Pacific 29 per cent; Arab States and Europe 19 per cent; and Latin America and the Caribbean 10 per cent. The rest was utilized to fund projects of an interregional and global scope. In terms of sectoral distribution of field programme expenditures, about one quarter went to general development issues, policy and planning, while agriculture received 18 per cent. Among the other top sectors were industry, 11 per cent; natural resources, 10 per cent; and transport and communications, 7 per cent. These five sectors thus absorbed slightly under three quarters of field programme expenditures in 1991.

C. New project appprovals

7. There were 1,129 new projects approved during 1991, falling from 1,256 in the previous year. In terms of dollars, the value of new projects approved was about $690 million, compared to $850 million in 1990. Of the $690 million for new projects, $264 million, or 38 per cent, represents cost-sharing from Governments and third-party donors. As in the previous year, general development issues, policy and planning (34 per cent), agriculture, forestry and fisheries (13 per cent) and industry (10 per cent) accounted for the largest share of new projects. UNDP also helped to attract about $8.3 billion in follow-up investment from donors in 1991, which is used largely for capital and infrastructural improvement.

II. COUNTRY AND INTERCOUNTRY PROGRAMMES

A. Africa

Political change

8. In 1991, the largest political shift in Africa since independence took place. About 20 countries, including South Africa, undertook steps towards more democratic regimes. In Benin, Cape Verde, Sao Tome and Zambia, smooth transitions were made to install democratically elected governments. Similar trends are under way in many countries, including Ghana and Nigeria. In countries such as Mali and Ethiopia, long entrenched autocracies were overthrown.

9. Not all the changes were positive, however. In Zaire, for example, the political situation was such that technical cooperation personnel had to be evacuated and programme implementation came to a standstill. A similar evacuation took place in Ethiopia during the year. The situation in Mozambique and Liberia remains unresolved. Advances made towards democratization in Togo were in balance at the end of 1991.

10. These political changes in the region affected UNDP activities during the year. In the area of emergency assistance, UNDP was called upon to provide leadership for the emergency operations in Liberia and to provide logistic

support and assistance in the distribution of food and other relief commodities and services. Other assistance was called for in the realm of governance, for which UNDP provided funding from IPFs to help to develop constitutional arrangements for a multiparty political regime in Ghana and technical cooperation for the electoral process in Angola. Two regional projects were designed to elaborate governance strategy for the region. As part of its initiative to encourage good governance and popular participation, UNDP provided assistance to the President of Uganda, in his capacity as Chairman of the Organization of African Unity (OAU), for the organization of the Kampala Forum on Security, Stability, Development and Cooperation in Africa, which was held from 18 to 22 May 1991.

11. During the year, cluster meetings for Ministers of Planning and Finance were held in the region. The cluster meeting was held for the Southern Africa region at Lusaka, Zambia on 4 to 6 July, where discussion focused on subregional and regional economic integration. The Eastern African Ministers met at Nairobi, Kenya, on 8 to 10 July and focused on environmental management and technology development in Africa. Members of the Economic Community of West African States met at Abidjan, Côte d'Ivoire, on 15 to 17 July and focused on the preparation of national long-term perspective studies (NLTPS). The Central African Planning Ministers met at Libreville, Gabon, on 22 to 24 July, where the development implications of the HIV/AIDS pandemic and safe motherhood were the key subjects of discussion. All the meetings reviewed the implementation of the United Nations Programme of Action for African Economic Recovery and Development (UNPAAERD).

12. The Ministers agreed that the policy issues raised require urgent consideration and integration into national and regional planning. They stressed the need for regional cooperation to address these development challenges, such as the control and management of HIV/AIDS and safe motherhood, environmental management and the role of science and technology. The fifth and final meeting was a continental one and included North African Planning Ministers. The meeting was held at Windhoek, Namibia, from 25 to 27 November to consider the summary conclusions and recommendations of the subregional meetings. Resident Representatives in sub-Saharan Africa, representatives of African regional and subregional organizations and of United Nations specialized agencies also participated in the meeting. The fifth regional programme for Africa (1992-1996) was presented, discussed and endorsed by the African Planning Ministers for submission to the Governing Council at its thirty-ninth session (1992).

Economic realities

13. The need for urgent policy dialogue and action was enhanced by the critical economic situation in the region. African countries continued their adjustment efforts during the year with varying degrees of success. Benin, Equatorial Guinea, the Gambia and Nigeria continued to sustain their reforms while new efforts were launched in Burkina Faso and Rwanda. However, several countries found it difficult to sustain adjustment programmes generally or to keep to the agreed timetables. The International Monetary Fund (IMF) reported slippages and delays in Cameroon, Côte d'Ivoire and Zaire.

14. About a quarter of the countries in the region experienced an unstable political climate and difficulty in pursuing economic reforms. This was combined with a generally unfavourable external economic environment and hence the overall growth rate of the region reached only 2.25 per cent or about 1 per cent below the population growth. Major external factors included the continued decline in the price of most regional commodity exports and the debt burden, which amounted to nearly $180 billion for sub-Saharan African countries.

UNDP activities in the region

15. In most countries of the region, UNDP activities registered successes. However, programme delivery was interrupted in Ethiopia and Zaire. In 1991, UNDP provided assistance for the formulation of the Draft Treaty of the African Economic Community to OAU, specifically to: (a) finalize the treaty protocols; (b) carry out studies on the implications of setting up a single secretariat; (c) define the relationship between the African Economic Community and the regional groupings; and (d) strengthen the latter in establishing a data bank network linking the various subregional and regional economic groupings to the OAU and other data bank networks. In June 1991, the Treaty of the African Economic Community was signed by the Heads of Government of the member States of the Organization of African Unity.

16. Six projects were approved under the Global Environment Facility (GEF) that UNDP sponsored for the region. Five of these are regional projects covering all three GEF categories: protection of international waters; biological diversity conservation; and reduction of global warming. These projects, which amount to approximately $30 million of additional funding for environmental conservation, include activities to protect the biological diversity of Lake Tanganyika; effective regional control of wildlife trade from Central Africa; and forests and wetlands conservation in East Africa. The secretariats of the United Nations Sudano-Sahelian Office (UNSO) and the United Nations Conference on Environment and Development (UNCED) assisted the sub-Saharan African countries in the preparation of over 25 environmental reports for UNCED. Two regional meetings on UNCED were held in Africa, jointly supported by UNDP to assist African countries to elaborate their position for UNCED.

17. Different and often pioneering approaches to raise African women's productivity in key sectors were successfully tested under a four-year multi-agency women-in-development initiative targeting women in the agricultural sector. This has demonstrated the benefits of providing women with agricultural extension services. One of the participating countries, Nigeria, has taken the lead to institutionalize a nationwide women-in-agriculture programme, paving the way for wider outreach training and improved technology services to women farmers. Research activities in a number of African countries led to the publication of a handbook and training of nationals in techniques, hitherto unavailable, to compile statistics on women in the informal sector and thereby evaluate their economic contribution.

18. Revised procedures and guidelines for the round-table process were prepared and discussed in detail at a workshop held in Geneva in May 1991 for Resident Representatives and Field Economists of round-table countries. These procedures were subsequently endorsed by African Planning Ministers at Windhoek in November 1992. The revised format emphasizes the need for a more strategic approach by UNDP to management of the round-table process. In particular, the revised format emphasizes the need to internalize the round-table process by strengthening national capacities for policy analysis and economic management and also highlights the need to link the round-table process with other UNDP initiatives. The round-table process continued to be a useful mechanism for promoting development dialogue, coordinating technical cooperation and discussing national development policies and programmes. During the year, three round-table meetings and 13 related sectoral meetings were held, with encouraging results. A round-table meeting for Burkina Faso mobilized the financial requirement for the implementation of the country's adjustment programme. UNDP also supported donor consultations for the Seychelles to mobilize funding for implementation of an Environmental Management Plan, resulting in over $45 million of pledges. A similar consultation in November on an education plan for Mauritius resulted in the pledging of $49.1 million.

19. A major new UNDP endeavour responding to the Global Coalition for Africa became operational at the end of 1991: the NLTPS programme, designed to support national efforts at preparing long-term perspective studies. UNDP approved a $10 million regional project in support of NLTPS. The project will provide catalytic support, facilitate the interface between prospective works undertaken in Africa and in industrialized countries, develop a network of African specialists and institutions, and maintain a data bank. The project will also organize workshops to share experience between African countries. It provides for the establishment of two regional teams which will provide technical support and facilitate the national process. The first regional team is located at Abidjan and will cover the countries of West Africa. As soon as the workload requires, a second team will be established in an East African country. The project is managed by a steering committee composed of the UNDP, the World Bank, the Economic Commission for Africa (ECA) and the African Development Bank (AfDB). More than 20 countries have already requested assistance, and some have already set up their national NLTPS teams and are actively preparing their studies.

20. The resources constraint on African development is more evident today than ever. Lack of resources was a major factor in the failure of UNPAAERD and is a critical determinant of the New Agenda for the Development of Africa in the 1990s. UNDP will use its limited resources to catalyse development assistance for the region wherever possible. Modest but significant steps were made in that regard in 1991. Multi-bilateral programming in selected countries continued with the Netherlands while Portugal established a cost-sharing arrangement with UNDP to finance special projects in the African lusophone countries in 1991.

21. National technical cooperation assessments and programmes (NATCAP) exercises are now at varying stages in 33 countries in Africa, from the preliminary mission and preparatory work plan as in Congo, through sectoral studies and data collection in Senegal, to the elaboration of technical cooperation programmes in the Gambia and Malawi. Fourteen countries have completed phase I and have finalized the policy framework on technical cooperation while four countries have completed technical cooperation programmes in phase II. The experience gained of NATCAPs in Africa has enabled the Regional Bureau to prepare guidelines for the preparation of technical cooperation policy framework papers and technical cooperation programmes, which also assisted the launching of two similar exercises in Latin America.

22. The HIV/AIDS epidemic is another area that received significant attention in UNDP programmes in 1991. Many African countries are putting in place programmes to control and manage the impact of the disease. One country, Uganda, has earmarked about 17 per cent of its IPF for the fight against HIV/AIDS. A programme approach is being followed by the Government and UNDP to develop a cross-sectoral, multi-donor action plan to fight the epidemic. Zambia initiated a project to combat the spread of the disease. A regional project has been designed to raise awareness of the socio-economic as well as the health implications of the epidemic and to link actions to country programme activities.

23. The field offices in the region were engaged in supporting the preparation of fifth cycle country programmes. As a result, 17 country programmes have been prepared for submission to the Governing Council in 1992. In that connection, it is noteworthy that in many countries, the coordination of technical cooperation through complementarity, synchronization and harmonization of programmes within the Joint Consultative Group on Policy (JCGP) and other funds was substantially improved, for instance in Senegal and Cape Verde. For the first time, UNDP and the United Nations Population Fund (UNFPA) programmes will be presented together to the Council for Malawi. In Botswana, UNDP collaborated very closely with other agencies, especially the Food and Agricultural Organization of the United Nations (FAO), in undertaking vital agricultural programmes, including the building of grain storage facilities and small dams.

24. The message of the central role of human development as the means and end of UNDP cooperation is reflected in many of the country programmes being prepared by countries in the region. Eight countries began preparing national human development strategies.

25. The Bureau's West Africa Division was split into two divisions, covering the Sahelian and coastal countries. In the latter, a pilot exercise in decentralization was launched from 1 November 1991. At the end of the year, two cluster meetings of the eight Resident Representatives had been held, in order to plan for strengthened field office programme delivery in 1992.

26. During the latter part of the year, steps were taken to implement the findings of five major evaluations which were presented to the Governing Council at its thirty-eighth session (1991). The report of the Administrator on the role of UNDP in African economic recovery and development (DP/1992/17) reviews the status of implementation of recommendations in four of the evaluations, namely those on intergovernmental organizations (IGOs) in Africa, NATCAPs, the Social Dimension of Adjustment and Structural Adjustment Advisory Teams for Africa.

27. The fifth evaluation related to the coordination of development cooperation to the least developed countries (LDCs). A main recommendation of that evaluation was for UNDP to adopt a concerted capacity-building strategy, maximizing opportunities for institution-building in LDCs. In line with this recommendation, work has begun on a strategy for UNDP to assist countries in establishing a self-sustained capacity for development management, including aid coordination. Drawing particularly on UNDP experience in the Africa region, the paper also provides a unifying framework for UNDP initiatives such as the round-table process, NATCAPs, NLTPs and the African Capacity-Building Initiative (ACBI).

28. Aid coordination is a central theme for the role of UNDP in LDCs. The recent methodological developments on round-table, NATCAPs and Development Cooperation Reports demonstrate UNDP effort in achieving this goal.

B. Asia and the Pacific

Socio-economic context

29. The economies in the Asia and the Pacific region expanded at a rate of 5.4 per cent in 1990. The growth rate for 1991, however, is expected to be slower since the non-oil-exporting countries, particularly the least developed among them and the Pacific island states, were affected by a host of unfavourable developments - especially high oil import bills and loss of foreign exchange earnings. These unforseen developments have aggravated the macroeconomic imbalance and adversely affected the welfare of the poor and vulnerable groups. As a consequence, several of the countries concerned have been obliged to adjust their economies to address the changed circumstances, with increased attention being given to the poor under the structural adjustment processes.

Programme overview

30. The year was characterized by a close dialogue and rapport between the UNDP field offices and Governments in the Asia and the Pacific region on the new country programmes for the fifth cycle. At its thirty-eighth session (1991) the Governing Council approved the country programmes for Bangladesh, China and Indonesia. Preparations for the submission of 16 country programmes to the Council at its special session in February 1992 and at its thirty-ninth session were on schedule.

31. Particularly noteworthy was the emphasis accorded by the Governments to the decisions of the Governing Council in respect of the programme approach, national execution, human development and the six areas of focus. Consequently, and as reflected in the advisory notes, Governments are concentrating their allocated IPF and cost-sharing resources on fewer programmes and projects in the six areas of focus. They also address current and emerging concerns, including urban growth, HIV/AIDS and the economic implications of the Persian Gulf crisis.

Major initiatives

Human development and poverty alleviation

32. A number of special initiatives were launched in 1991. Foremost were the initiatives taken in a number of countries to assist their Governments in making their concerns for human development operational.

33. In Pakistan, the Government benefited from a report which detailed a comprehensive, integral and realistic cost strategy for achieving human development objectives during the 1990s. This strategy will serve as a basis for the formulation of the fifth country programme for Pakistan and for securing its external assistance requirements.

34. The initiative in Viet Nam focused on the preparation of a master plan for the Quang Ninh province. This is a particularly disadvantaged region, accounting for the large majority of the boat people refugees to Hongkong and elsewhere. The report looked at the critical relationship between economic growth and human development in the context of an economy in transition to market orientation.

35. A statistical study that focused on social well-being was undertaken in Indonesia. It was designed to determine variations in social development among the 27 provinces of Indonesia, where more than 30 million people live in poverty. The study reviewed and assessed variations in social indicators that reflect levels and rates of social development over the past two decades; it also delineated the prospects for the next 10 years, in particular the extent to which human and social development objectives for Indonesia by the year 2000 are feasible and adequate for accelerated region/area-based social development.

36. In Bangladesh, the human development initiative focused on an analysis of existing levels and past trends in human development, in particular the disparities, the role and limitations of public policies, organization and management issues, and the relationship between non-governmental organizations (NGOs) and the Government. It also made recommendation on future strategies to promote human development.

37. It has become evident that there can be no human development without a serious assault on poverty. To define the role that UNDP should play in this area during the course of the fifth cycle, the Regional Bureau brought

together in May 1991 in Kuala Lumpur, Malaysia, Resident Representatives from the region as well as staff from UNDP headquarters. The discussions culminated in an action plan which called for a significantly enhanced response to poverty in the region in the fifth programming cycle.

Aid coordination

38. All the UNDP field offices in the region continued to play an active role in both formal and informal aid coordination. Round-table meetings were organized for Maldives in October 1991 and for Tuvalu and the Marshall Islands in December.

39. These round-table meetings focused on the prioritization of external assistance requirements and emphasized the importance of need assessments. The round-table documents served as a useful framework for the programming of all donor assistance to the countries concerned.

40. With the signing of peace agreements for Cambodia on 23 October 1991, UNDP organized a donor consultation meeting in New York on 11 November 1991 to seek ideas on how the enormous rehabilitation needs of Cambodia could be met during the transitional period leading up to the holding of free and fair elections and the formation of a new government. Attended by senior representatives of various donor countries and by the Special Representative of the Secretary-General, this meeting asked UNDP to prepare a comprehensive paper on all the urgent needs of Cambodia.

41. Another major initiative in aid coordination in 1991 was the convening of the Mongolia donors consultation meeting in Ulaan Baatar on 9 to 10 October. This first donor consultation meeting on Mongolia, co-chaired by the Mongolian Deputy Prime Minister and the Administrator, enabled the bilateral and multilateral donors to familiarize themselves with the government development strategy in the context of its economic reform policy and resulted in positive indication of interest by a number of bilateral donors on the external assistance needs of the country.

Protection of the environment

42. In 1991, UNDP played a key role in global initiatives on environment, complementing ongoing and planned national and regional environmental programmes.

43. From the Global Environment Facility, co-managed by UNDP, the World Bank and the United Nations Environment Programme (UNEP), eight national and three regional projects (valued at approximately $66 million and covering 34 countries and territories) were programmed in the Asia and the Pacific region. The projects, developed in accordance with GEF guidelines, are aimed specifically at relieving pressures on global ecosystems in the areas of global warming, biological diversity and the pollution of international waters.

44. The issue of ozone depletion is being addressed specifically through programmes implemented under the Montreal Protocol. Projects of $250,000 each have been programmed in 1991 for Bangladesh, the Islamic Republic of Iran, Malaysia, the Philippines and Thailand. Four of these projects have already become operational. The regional projects on greenhouse gases and the South Pacific biodiversity are now in the preparatory assistance phase.

45. UNDP has also been actively assisting Governments in the preparation for UNCED. In conjunction with the Economic and Social Commission for Asia and the Pacific (ESCAP) a ministerial-level conference on environment was held in Bangkok in late 1990. UNDP has since assisted 31 countries in the region with the preparation of their UNCED national reports.

46. It is widely recognized that successful environmental management requires action at the community level. NGOs, given their proven advantage as agents of change at the grass-roots level, are being harnessed in the efforts for sustainable improvements in environment and environmental management. Illustrative of this is the Asia-Pacific 2000 programme. With participation of several countries, including India, Pakistan, Philippines, Sri Lanka and Thailand, this innovative effort directly assists NGOs and community-based organizations in managing the urban environmental problems and simultaneously improving living standards and reducing poverty.

Programme management

47. The IPF resources available to the Asia and the Pacific region for the fourth programming cycle amounted to $1.5 billion. Cost-sharing contributions by recipient countries and third parties, SPR and SMF/LDC collectively provided another $200 million. The total resources available for programming thus amounted to $1.7 billion. In 1991, some 245 projects were approved and the total IPF and cost-sharing funds committed amounted to approximately $231 million. The total programme expenditure for the region in 1991 is estimated at $295 million.

48. The region took full advantage of the Management Development Programme (MDP). By the end of 1991, over $17 million was approved for projects in 10 countries of the region. These projects, focusing mainly on transitional economies such as those of China, Laos, Myanmar, Mongolia and Viet Nam, largely relate to support of government efforts for management reforms and structural changes in the economy. In Myanmar and North Korea, the projects provided institutional strengthening assistance. Other countries which have already availed themselves of the MDP facility include Indonesia, Maldives, Papua New Guinea and Sri Lanka.

49. A total of 75 nationally executed projects became operational in 1991. These included some of the 57 nationally executed projects, valued at $30 million, which were approved during the course of the year.

50. The field offices took important steps to train government staff in the operational and financial management of the nationally executed projects and programmes. Special attention was paid to helping Governments to discharge their accounting and audit responsibilities vis-à-vis nationally executed projects. Add-on funds were used as appropriate to strengthen the execution capacities of Governments.

51. Major efforts were also made in all countries of the region to mainstream women in development. These included projects financed from the national and intercountry IPFs, SPR and trust funds.

52. A regional project in the South Pacific provided training to national and community-level planners in four pilot countries to sensitize them to issues related to the development of women and to encourage them to incorporate aspects of women in development projects at the planning phase.

53. In Indonesia, an IPF-financed project provided assistance to the women in the five transmigration settlements and seven fishing villages to realize their full potential through training and access to credit. This project has succeeded in forming women business groups to produce fish and banana chips, fermented soybean cakes, cassava flour, pineapple jelly and sweets, shrimp cubes, fish meat balls and smoked fish. They are also breeding poultry, producing handicrafts, managing dressmaking shops, producing traditional herbal medicines, running beauty parlours. Backed by a UNDP guarantee fund, credit facilities with simple procedures have been set up to enable women to expand their enterprises.

54. A number of IPF-financed projects assisted rural populations in different countries of the region in bringing tangible improvements in their living standards. In the Pacific, the Atoll Development regional project made significant impact in mobilizing local leadership in the Cook Islands, the Federated States of Micronesia, Kiribati, the Marshall Islands, Tokelau and Tuvalu, as well as in Maldives in the Indian Ocean. With the help of resident United Nations volunteers, the local communities in these countries implemented small-scale projects for boat-building, subsistence agriculture, clean water, and rainwater catchment tanks to increase the income of the villagers and to improve living conditions.

55. Similarly, the IPF and the project for rural rehabilitation and reconstruction in Afghanistan financed by the United Nations Office of the Coordinator for Afghanistan provided assistance to national and international NGOs to implement projects for the rehabilitation of basic infrastructure and food production in the eastern and southern Afghanistan. This $19 million project has succeeded in increasing the production of food crops, reducing livestock mortality and strengthening the institutional capacity of national NGOs.

56. In the remote northern areas of Pakistan, the Livestock and Poultry Improvement project provided assistance to upgrade the productivity of livestock and raise the living standards of small farmers. The project has

succeeded in introducing improved techniques of animal husbandry and implementation of livestock-based income-generating projects. Some 150,000 layer and broiler chicks were produced for distribution to rural households, 50,000 doses of vaccine were supplied, 248 women were trained in rural poultry production.

57. A UNDP project in Indonesia provided assistance to the Government in upgrading its capacity in rural water and sanitation planning, implementation and maintenance. This project has prepared hydrogeological survey reports for 2,200 villages and established 851 demonstration villages. In addition, the project has trained 210 health centre sanitation workers, 3,210 village volunteers from Lampung and Bengkulu provinces and a total of 1,320 village caretakers from 440 villages.

58. Technology transfer, an important factor for accelerated economic development, continued to command emphasis. In 1991, some 12 projects specifically designed for the transfer of technology and amounting to over $26 million were approved. In addition to the country IPF-financed projects, a number of intercountry programmes/projects were also approved with the specific aim of transferring technology in the fields of telecommunications, transport, agriculture and forestry to the participating countries.

59. The single largest programme for the transfer of technology approved in 1991 is the $15 million Leather Sector programme in India. This nationally executed programme will provide expertise and training and a substantial amount of high technology equipment to upgrade skills, product design and quality and pollution control in private sector enterprises.

60. The regional project Industrial Application of Isotopes and Radiation Technology provided assistance to 12 participating countries in the transfer of technology leading to the expanded use of isotopes and radiation technology by industries. As a result of the promotional efforts of this project, estimated investments in participating countries during the period 1987-1991 were in excess of $100 million.

61. For some years, the resources of the country programmes for China and for India have been used to implement projects for the transfer of technology to these countries. To find out how effective the approach has been, UNDP undertook a review of high technology projects in these countries. This evaluation, conducted by the Central Evaluation Office (CEO) of UNDP, has resulted in several concrete actions in both countries to improve UNDP assistance in fields involving high technology.

C. Arab States and Europe

62. The Regional Bureau faced emergencies and unforseen challenges in 1991. The Gulf war, emergencies in the Horn of Africa, historical changes in Eastern and Central Europe, rapid transitions in a number of countries from centralized to market economies, and the preparation of new country programmes for the fifth cycle required exceptional measures to help meet the expectations of the countries in the region, while guaranteeing adequate delivery of assistance.

Response to the Gulf crisis

63. Almost all countries in the region were affected by the Gulf crisis. Many UNDP field offices in the most severely affected countries were required to shift their attention rapidly to the coordination of the response of the United Nations system to the crisis and to help Governments mitigate the negative impact of the war.

64. In Kuwait, the field office was reopened in March 1991 and a programming exercise was undertaken to help define technical cooperation requirements. UNDP provided $100,000 from SPR for this purpose. As an interim measure, some of the pre-war projects were reactivated to address immediate national requirements.

65. In Iraq, the field office was reactivated after the Gulf war to help coordinate and provide logistical support to humanitarian and relief efforts. The office has also prepared humanitarian programmes to be implemented with SPR resources. A regional project for rinderpest control is now being implemented to control a threatening epidemic.

66. In February 1991, the Administrator approved $4 million from SPR to help other countries in the region affected by the Gulf war to move beyond the emergency and to revive economic development activities. The SPR funds were managed by the UNDP Gulf Task Force, an inter-bureau body headed by the Director of the Regional Bureau, which helped to coordinate and plan the UNDP response to the emergency. Assistance was provided to 25 countries in five areas: humanitarian relief (22.5 per cent); human development/returnees (33.5 per cent); impact assessment and programme formulation (33.1 per cent); environment (5 per cent); management of the economic impact of the crisis (3.4 per cent); and rehabilitation of institutions and infrastructure (2.5 per cent).

67. The activities sponsored were mostly catalytic in nature. In the field of humanitarian relief, in response to the Iraqi Kurdish crisis, funds were immediately provided to field United Nations volunteers to assist the United Nations inter-agency humanitarian programme in Iraq, Turkey and the Islamic Republic of Iran.

68. In its decision 91/21 of 25 June 1991, the Governing Council took note of the report of the Administrator on the impact of the Gulf crisis on developing countries (DP/1991/60) and requested the Administrator to prepare a programme to help revive the social and economic development and the environment of the countries affected by the crisis, and to submit the programme to the international community with a view to establishing a funding strategy.

69. The meeting of the international community was duly convened on 16 December 1991, to discuss proposals presented in document DP/1992/4 "Proposals for the socio-economic and environmental recovery of countries affected by the Gulf crisis of 1990-1991: overview". The report of the meeting (DP/1992/5) was prepared for the special session of the Council in February 1992. It reflects the points of view expressed by 27 countries and proposes a funding strategy to reach the most affected countries. Funding from a number of sources is now being mobilized to implement priority areas in the programme.

Other emergencies

70. A number of countries in the Horn of Africa continued to face continued drought emergencies and civil strife. In the Sudan, UNDP continued its planning and coordination of drought relief and humanitarian activities through Operation Lifeline Sudan in areas affected by the civil war and the expansion of the severe drought. The special 1991 UNDP Drought Operation for the Sudan (SUNDOS), demonstrated UNDP flexibility in responding to a natural disaster affecting approximately 1.1 million people in western Sudan: working through NGOs and a number of United Nations specialized agencies, community-based food-for-work programmes were initiated and water supply systems were built.

71. In Somalia, political instability, civil war, breakdown of law and order, mass displacement of large segments of the population, the lack of any minimal social services and economic development caused in 1991 one of the worst disasters in this country's history. In January 1991, UNDP was forced to suspend all programmes and evacuate the Somali field office staff to Nairobi. From Nairobi, UNDP led the inter-agency task force to assess the emergency assistance needs of the Somali population and continues to coordinate United Nations humanitarian response to Somalia.

72. The 15-year-old civil war ended in Lebanon in 1991 and the central Government was established. On behalf of the Secretary-General, UNDP led a United Nations inter-agency needs assessment mission to Lebanon in July and a report on the technical cooperation requirements was submitted to the Second Committee. An aid coordination meeting was held in Paris in December 1991. The report was one of three assessment documents which generated total pledging of $700 million for the reconstruction and development of Lebanon.

73. Albania faced severe economic crisis in 1991 as it moved to liberalize its economy and society. UNDP quickly responded by opening an office and organizing a United Nations inter-agency humanitarian mission, whose report

was presented at a donors meeting in Brussels, where firm commitments for humanitarian assistance and support for economic reform programmes were made.

Economies in transition

74. National institutions and economies in Eastern and Central Europe and in a number of Arab countries in North Africa underwent historical transformation. In every instance, UNDP was requested to respond to new technical cooperation requirements.

75. In Europe, UNDP moved decisively to assist Governments in their transition process and to devise a strategy for this purpose which would not redirect official development assistance (ODA) resources away from developing countries. The UNDP response was tempered by these financial considerations and the limited presence of UNDP field offices. It became increasingly clear that the process would take longer than originally foreseen and would be more painful for the people involved in the transition.

76. Following extensive consultations with policy makers in the countries concerned, UNDP submitted a broad strategy to the Governing Council at its thirty-eighth session redefining its role in the region. In its response to new demands from new partners reflecting more complex societies, UNDP has placed people at the centre of the process and has generated many new ideas, approaches and methodologies.

77. The strategy approved by the Governing Council became the conceptual framework for preparing country programmes for the fifth cycle. Particular emphasis has been placed on using the small IPF and SPR resources available from UNDP as seed money to mobilize additional donor funds. Among the first significant initiatives that have emerged from the combination of a programme approach linked closely with donor and GEF funding was the approval of a programme to clean up the Danube River Basin. A similar proposal is being negotiated for the Black Sea.

78. Another major initiative is the Turn-around Management Programme, a $38 million programme being negotiated with donors and multilateral organizations to assist seven countries to field proven senior managers from the West to work closely with their counterparts in State-owned enterprises. The programme will also help Governments to introduce enabling environments for the private sector and economic growth. UNDP is also sponsoring a regional privatization network.

79. The Transfer of Knowledge through Expatriate National (TOKTEN) programme has been so well received in Poland and Czechoslovakia that demand has outstripped UNDP resources and further donor funding is being sought. UNDP has also fielded 175 United Nations International Short-Term Advisory Resources (UNISTAR) consultants to date in Europe for a total of 278 working months at an inclusive average cost per work-month of $2,700.

80. In the Arab region, Yemen, after unification in May 1991, started the most significant transition in its modern history. The task involves merging and rationalizing two different socio-economic systems and govenment administrations, defining national development strategies and policies, and creating an enabling economic environment for the private sector. In 1991, UNDP responded by shifting away from traditional technical cooperation and is concentrating on supporting national development capacities in upstream and policy-related areas. Of particular importance is the UNDP-supported round-table process, which will help Yemen to establish common targets and approaches with external funding bodies.

81. UNDP has undertaken extensive studies to transform the economy of Algeria to a more market-oriented economy. UNDP is also supporting the reform process, especially in the field of tax administration.

82. In Egypt, UNDP demonstrated leadership in supporting the Economic Reform and Structural Adjustment Programme (ERSAP). UNDP has played a central role in helping build national capacity in Egypt to implement such a programme, focusing predominantly on two areas: (a) preparatory assistance to establish a monitoring mechanism for the implementation of ERSAP and (b) support to the design and establishment of a technical secretariat for the management of the Social Fund for Development, a $600 million multi-donor effort addressing the adverse consequences of economic reform through income-generating activities, employment creation, training/retraining, the provision of credit and the establishment of small enterprises for low income and vulnerable groups.

Regional activities

83. In spite of the turmoil in the region, the Arab regional programme achieved its highest delivery rate ever in 1991: $11.8 million. This was evidence that the many new modalities, such as networking and the subregional approach, which were introduced at the beginning of the cycle had taken hold.

84. Many networks established between national institutions through the regional programme became fully operational in 1991. For example, in the area of food security: the network on barley has been working on new high-yielding varieties and has provided a more prolific breed of sheep; the sorghum and millet project has further advanced research on new varieties, linked the countries who depend on these crops for their food security, and transferred the results to farmers through training; the project to tackle cereal diseases has brought together over 30 scientists from the three countries most affected to divide the tasks necessary to eliminate the diseases which result in 30 per cent losses of cereal production. In biotechnology, a regional centre of excellence has been developed within the Syria-based International Centre for Agricultural Research in Dry Areas.

85. Networking was also in evidence in the technology transfer and development sector: the project to modernize Arab telecommunications networks has led to cooperation on a research and development programme for new services. In the crucial trade sector, UNDP worked with the Arab Trade

Financing Programme to put into operation their $5 million fund and helped to develop manuals and procedures as well as the bases for a trade information network.

86. The Mediterranean Environment Technical Assistance Programme became operational in 1991 with networks between cities in the Medcities programme. This project is also an excellent example of fruitful coordination between donors, bringing together UNDP, the World Bank, the European Investment Bank and the European Community in a $15 million programme.

87. Another highlight of regional collaboration on the environment was the establishment of the Cairo-based Centre for Environment and Development in the Arab Region and Europe (CEDARE). This $5 million UNDP initiative brought a matching amount from the Arab Fund for Economic and Social Development (AFESD) for CEDARE's endowment fund. It has also attracted interest from the African Development Bank (AfDB), and the International Fund for Agricultural Research (IFAD), each of which has earmarked funds for CEDARE, building on national contributions that include a contribution of 10 million Egyptian pounds from the Egyptian Government.

88. The collaboration with AFESD also produced advances in the field of technology: work was completed in 1991 for the inauguration of the first regional Software Technology Centre in Cairo in January 1992. The Cairo Centre has already produced E-Mail software in Arabic, has prepared the groundwork for a multi-media package, and has regionalized a trade information network (Tradenet) software produced for Egypt. Meanwhile, work continues to inaugurate two other regional centres, one in Kuwait and the other in Tunisia.

89. The subregional programme modality also took hold in 1991. In collaboration with AfDB and the European Community (EC), UNDP co-financed the feasibility study for the creation of a Maghreb International Bank to help increase foreign investment flows into the Maghreb countries, promote the private sector, and support economic integration. The two subregions of the Maghreb and the Mashreq were linked through collaboration on water technology and range management, building on successful projects completed in the Maghreb subregion.

90. Of the many other activities that took place in 1991, it is worth highlighting the first UNDP/Government/NGO workshops on participatory development in the Arab region. These were held in Damascus in July and in Rabat in December, and have created interest in further collaboration. After the Damascus meeting, a United Arab Emirates-based regional NGO requested UNDP support to organize a similar workshop for its managers.

Preparations for the fifth cycle

91. While responding to highly fluid and unpredictable situations in a number of regions, preparations were also made for the fifth cycle. Seven country programmes in the Arab region will be submitted to the Governing Council for approval in 1992. Other countries facing particular hardships or major

changes requested extensions of their country programmes. For Eastern and Central Europe, a strategy document was prepared as a guide for the first country programmes following the historic changes which took place. Three country programmes and the Europe intercountry programme will be submitted to the Council in 1992.

92. LDC countries in the Arab region faced particular hardships during 1991. Until the situation stabilizes, Somalia will not prepare a new country programme; humanitarian activities will continue where possible. The Sudan continues to face drought conditions and has requested a one-year extension of its country programme. Particular attention has been given to supporting Yemen in its efforts to complete successfully its unification process. UNDP fielded a high-level mission in 1991 to assist the Government to define its strategy and programme of cooperation with UNDP. Yemen and Djibouti are organizing LDC round-table conferences.

93. In accordance with Governing Council decision 91/29, a high-level mission was fielded to five net contributor countries (Bahrain, Libya, Oman, Qatar and United Arab Emirates) to help define their fifth cycle programmes. The mission discussed the future direction of programmes and levels of resources, office and staff costs, and United Nations agency services. It was confirmed that these countries will continue to need UNDP presence and technical cooperation in the fifth cycle.

94. In the field of environment, regional ministerial meetings were held in Cairo for the Arab region and in Ankara for the European region to define and coordinate their position on environmental issues in preparation for UNCED. With UNDP assistance, the majority of the countries in the Arab and Europe regions have prepared country reports for UNCED. At the country level, a good example of UNDP initiative was the March 1991 National Workshop on Environment and Sustainable Development held in Syria and co-sponsored with the Government which resulted in a national action plan for strengthening the capacity of the newly created Ministry of State for Environmental Affairs. UNDP will provide further support to the development of a comprehensive environmental action plan while institutional support will be provided to the newly created Commission of Environmental Affairs to strengthen its capacity to integrate environmental concerns into overall national development decision-making. A portfolio of approximately $22 million GEF projects was prepared for submission for consideration under the third GEF funding tranche.

95. Looking to the fifth cycle, given the reduced IPF resource situation and the continuing challenges facing the region, the following actions will be emphasized: (a) increased attention to resource mobilization in terms of core funding from net contributor countries, government and third-party cost-sharing and other modalities such as management service agreements, trust funds and co-financing; (b) assistance to countries that have seen devastation from conflict and natural causes to plan and coordinate their rehabilitation and reconstruction programmes, and, where emergencies continue to be endemic, to help Governments to be better prepared to respond to emergencies; (c) support to countries in transition to plan and mobilize resources for new

programmes and to provide critical technical support for well defined programme areas; (d) help for countries to manage critical natural resources better, especially in the areas of environment and water resources.

D. Latin America and the Caribbean

Political and economic change

96. Change was the overriding feature that characterized the Latin American and Caribbean region in 1991. Established democracies are widening the process of consultation and strengthening their institutions. Privatization is increasingly replacing the public sector in the economic sectors. Government-led policies are giving way to market-led policies and cautious optimism is replacing economic gloom.

97. In meeting these challenges, UNDP had to adjust to a severe decline in IPF resources for the region compared with the 1987-1991 cycle. This made resource mobilization over and above those available from UNDP itself a specific, region-wide goal. The tone for its development dialogue was set by cross-sectoral themes, stemming from a national programme approach and increased emphasis on capacity-building, reflected in increased national execution and implementation.

98. Almost all of the people in the region now live under elected governments that seek to take advantage of the opportunities presented under this banner of freedom: to make democracy more robust; to modernize economies; and to alleviate poverty, recognizing that technological progress is an important aspect of growth. This requires education, investment, research and development, trade reform and, not least, a profound reform of the State in its relations with civil society. UNDP involvement in such challenges has grown, accompanying a democratization process that includes deregulation, privatization, decentralization and other forms of devolution of power from the State to regions, municipalities and individuals.

99. An illustration of how UNDP places human development at the centre of the development spectrum was its support and involvement with the United Nations Children's Fund (UNICEF) in the preparations for, and participation in, the December 1991 summit meeting of the Presidents of Central America and Panama on human development.

100. The renewed vigour in the development process of the region is timely and needed, not least because many of the economic and social gains made in the 1960s and 1970s were lost in the 1980s. This is reflected in a decline in gross national product (GNP) per capita of 10 per cent between 1980 and 1990, with the result that an estimated 270 million of Latin America's 450 million people today live in poverty. In 1950, Latin America accounted for 11 per cent of world trade while it now accounts for less than 5 per cent. Since the 1980s, the region has endured a net capital outflow approaching $200 billion while total external debt is estimated at over $400 billion.

101. The region must participate fully in the process whereby the world economy is becoming more interdependent and globalized. In several countries, UNDP is actively cooperating in shaping the policies so required. Greater regional cooperation will also contribute to this process and is being expressed through the new life given in 1991 to free-trade areas, for example, through the North American Free Trade Area, the Central American Common Market, the Andean Pact, South Cone Common Market (MERCOSUR), and the customs union between the English-speaking Caribbean countries under the auspices of the Caribbean Community (CARICOM). Another dynamic force in the region is the Grupo de Rio, whose 13 Presidents have given vitality to this integration movement and who have called for a strengthening of regional organizations.

102. The basic challenge facing the countries of Latin America and the Caribbean is to take advantage of the opportunities presented by a world that is emerging under the banner of liberty. It is a singular challenge in the history of the region. It requires that democracies be strengthened, economies modernized and poverty reduced while the region opens itself to full participation in international causes. UNDP was very much engaged in 1991 in dealing with this challenge, which in turn, has influenced the fifth cycle programmes, as did the UNDP Human Development Reports, which examine the basic relationship between economic growth and human development. The ensuing policy dialogue concentrated on several major priority themes enumerated below.

UNDP activities

103. In addition, the dual role of UNDP in the region was confirmed (a) through the traditional technical cooperation modalities and (b) as the provider of services. National implementation modalities greatly facilitated the learning process and the growing contribution of UNDP to national development dialogues is illustrated in the country programmes being prepared for the fifth programming cycle. Furthermore, the 1:4 ratio of IPF to non-core resources, which characterizes programmes in the region is the result of the close collaboration between UNDP and governmental and international financial sources for the benefit of national development priorities. The catalytic value of IPF resources together with the capacity of UNDP field offices to initiate development processes is recognized and appreciated.

104. The advisory note for the fourth regional programme was prepared in 1991 through a series of thematic sessions in six priority areas, gathering high-level expertise from Governments and the private sector, from NGOs, from United Nations specialized agencies, from multilateral, financial development institutions, and from research centres inside and outside the region as well as from Resident Representatives. Plans to compensate for the cut in allocated IPF resources - from $58 million to $30 million - include the mobilization of $40 million in additional resources.

105. Major initiatives taken at the country level were largely in the context of country programme formulations, linked to the areas of focus specified in Governing Council decision 90/34.

106. UNDP is increasingly involved in democratization processes, as for instance, in setting up well-structured elections in Guyana and in promoting decentralization in Colombia. In the case of Colombia, assistance ranges from the national rehabilitation plan, which carries out activities in regions of conflict, to fiscal decentralization, whereby the municipal level has become the major beneficiary and thus a source of development initiatives. These programmes have also contributed to the redefinition of the role of the State through studies and the design of strategies for institutional changes at national, regional, departmental and municipal levels. At the same time, they have contributed to: (a) the creation of decentralized political, fiscal and administrative decentralized models for the management of public sector services; (b) the promotion of human rights through assistance to the municipal judicial systems; and (c) the creation of a Presidential Human Rights Advisory Office. In addition, NGOs have been organized into a confederate body and advice provided to the Presidential Commission for Public Administrative Reform, which served as an important input for the National Constitutional Assembly.

107. The regional programme, through the Latin American Centre of Administration for Development (CLAD), provided technical advisory services directly to presidential offices on policy formulation and coordination as well as to municipalities that have attained authority under decentralization schemes. The project developed new curricula and training techniques on social policy management which were introduced to top-level policy makers in a new regional Foundation for Social Policy, created to provide an institutional base for ongoing initiatives.

108. UNDP played a unique role in 1991 through the prompt assistance to the new Government of Peru. Expertise was provided for the formulation of emergency programmes in the fields of economic stabilization, structural reforms and social development and UNDP regular resources served as rapid deployment funds for the immediate initiation of activities until bilateral and multilateral donors completed their approval processes. The decisive involvement of UNDP facilitated Peru's reintegration into the international financial community.

109. In Argentina, UNDP has been involved in the restructuring of the public sector at both central and municipal levels. Assistance is provided to set up systems for the selection and remuneration of human resources for strategic posts in the central and municipal administration. Furthermore, UNDP has been involved in important privatization initiatives in the petrochemical sector. In Bolivia and the Dominican Republic, UNDP has assisted in the introduction of reforms in the fiscal system, the Central Bank and industry and agriculture. In Nicaragua, support was provided for consensus-building in the implementation of economic and social programmes, as well as social compensation measures to mitigate the negative impact of the adjustment.

110. The relationship between governance and civil society is a critical component of the wider thrust towards the improved management of economic, social and cultural policies, in the context of which privatization plays a

leading role. Major UNDP initiatives include those in Guyana, where UNDP is financing a United Nations Industrial Development Organization (UNIDO)-executed project to privatize almost 50 per cent of the State-owned enterprises, as well as in Guatemala and Honduras in the form of support to microenterprise programmes.

111. UNDP has played an increasingly active role in programmes such as national reconciliation in Nicaragua, Guatemala and El Salvador, where UNDP has been called upon to bring parties together to achieve sustainable reconstruction and development and where human rights are part of such a dialogue. In Central America, Colombia and Peru, the interface between peace processes, human rights and the administration of justice is increasingly seen as central to development. In this respect, Paraguay continues to draw upon UNDP cooperation to strengthen the activities of its recently created Human Rights Centre, which in itself reflects the profound and positive changes that have affected its society in search of equitable development models.

112. Poverty alleviation is linked to the theme of governance and civil society. Here, political will is a precondition for a successful strategy, as is the empowerment of the poor sectors of the population to shape such political will. It not only points to development models where people's participation is essential but, equally important, underlines the involvement of the private sector. In this way, the drive for political union among Dominica, Saint Lucia, Saint Vincent and Grenada gathered momentum during 1991; UNDP assisted in the articulation of the political issues which were presented to broad-based regional constituent assemblies.

113. Other major initiatives addressing poverty included social emergency funds and social investment funds where UNDP, together with the World Bank and the Interamerican Development Bank (IDB), the private sector and NGOs helped to focus social expenditures on the active participation of the beneficiaries. UNDP has been involved in the preparatory and implementation phases of such funds in Bolivia, Mexico and the Dominican Republic and has provided support to social investment funds in El Salvador and Guatemala.

114. Bolivia's poverty alleviation programme received a major boost with the creation of the Social Emergency Fund, an institution which was subsequently replicated in other countries. Significant UNDP technical cooperation was provided (a) to establish the fund and its administrative structure and (b) to transform the Social Emergency Fund into a longer-term institution responsible for social investment programmes.

115. In Mexico, UNDP has helped to implement poverty alleviation activities through the solidarity programme. Substantial training has been given in the design and implementation of productive projects and in obtaining pre-investment credits from Governments and NGOs. In marginal zones and with the active participation of indigenous communities, an extensive construction programme for small-scale drinking water and micro-irrigation projects was also implemented.

116. The regional programme supported the development of a standardized methodology to measure poverty and pioneered the quest for effective policies and tools to address this concern.

117. Related to the linkages between macroecomomic policy-making and social policy is the theme of modernization of the productive sector, innovation and competitiveness. Major initiatives were developed in Costa Rica on technology management to increase the competitiveness of selected firms for domestic and external markets with financial contributions from the firms themselves. In Mexico, the introduction of new technologies and the development of human resources in the industrial sector were assisted. These programmes included: the definition of industrial policies directed to small and medium-size industries and specific actions to support them; the modernization of the productive infrastructure in the public, private and cooperative sectors; the training of personnel in the areas of engineering, steel, agro-industry and electrical equipment and machinery; support for technological innovation and the strengthening of the relationship between national research and development centres and the private sector; and the introduction of credit lines by development banks for advanced technology for the private sector.

118. In the Dominican Republic, a major experiment was most successfully undertaken with UNDP cooperation in setting up and supporting a joint venture between the Government, the private dairy-farming population of some 3,500 families and the marketing sector. Technical cooperation was provided at the farm level, milk collection centres were established to facilitate marketing, and credit was arranged via the Agricultural Bank. Milk production increased over a period of two years by approximately 70 per cent and continues to increase as improved techniques become widespread and as coverage increases.

119. Through two biotechnology projects, the regional programme helped to create networks for joint research and dissemination of results through the establishment of a regional directive council, national councils on biology and an association of biotechnology enterprises, involving primarily the private sector.

120. The environment is perhaps the single most important sector emphasized by Governments during dialogues on the preparation of the fifth cycle programmes. In Brazil, Colombia and Venezuela, the fifth cycle country programmes have the environment as their major area of concentration. In Brazil, a total of $150 million was mobilized during the fourth cycle for the implementation of the national programme for the environment. In Colombia, programmes in the environmental area focused on the formulation of the Colombian forestry action plan and on the implementation of some of its components, such as the integral forestry programme for the Sanquianga region on the Pacific coast. In Venezuela, a territorial management plan for the Rio Tuy basin was formulated with emphasis on urban and industrial decentralization, water contamination and river basin management.

121. In addition, UNDP has been approached by several countries, including Argentina, Brazil and Honduras, to cooperate in the preparation of national environment plans to be presented at UNCED.

122. The coherent, constructive regional policies on global environmental issues formulated with the help of the regional programme have led to a wide range of projects that are already attracting sizeable counterpart funding. First, the process of producing and disseminating the environmental report "Our Own Agenda" contributed to a regional vision on the issue through mobilizing high-level expertise and wedding it to political leadership. A substantial portfolio of projects was developed, ranging from fostering indigenous management for the preservation of biodiversity in the Choco, Colombia, to supporting ethnobotanic research and promoting the importance of incorporating environmental values into national accounts.

123. UNDP has also assisted Belize and Costa Rica in the formulation and approval of GEF projects.

124. The themes identified above will absorb the greater proportion of the financial resources channelled through UNDP. In addition, UNDP has continued to support the United Nations system at the country level. In response to the Central American Peace Plan, UNDP continued to play the lead role in the implementation of the Special Plan of Economic Cooperation for Central America. As noted in paragraph 100, an important activity was UNDP/UNICEF technical support to the Presidential Summit Meeting on Human Development, in Tegucigalpa, held in December 1991. The five Central American Presidents, the President of Panama and the Prime Minister of Belize approved national plans containing specific targets in the social areas, which are to be achieved within the terms of office of the leaders concerned.

125. In addition, UNDP provided technical cooperation in the preparation of project portfolios and in the organization of meetings with donors on agricultural development and telecommunications. Lastly, in the area of assistance to uprooted populations, the Italian-financed Development Programme for Refugees, Returnees and Displaced Persons (PRODERE) programme entered into its large-scale implementation phase and is proving to be an excellent and sustainable approach to link emergency activities to development, by actively involving the local population.

III. GLOBAL AND INTERREGIONAL PROGRAMMES

126. The global and interregional programmes represent a unique mechanism in UNDP for addressing and mobilizing international support for research on science and technology and for advisory services targeted at the most pressing problems faced by developing countries.

127. The investments made by the programmes usually attract collateral funding from bilateral development agencies, charitable foundations, institutes, other United Nations specialized agencies, development banks, NGOs and the private sector. By sponsoring or co-sponsoring advisory groups and research efforts, UNDP can influence large scale follow-on investments that best meet the priorities of developing countries.

128. In 1991, the Division for Global and Interregional Programmes (DGIP) was placed in the Bureau for Programme Policy and Evaluation (BPPE) to heighten its strategic role in UNDP activities. The move also allows a closer interface with the expanded SPR, devoted to innovative activities in the six areas of focus mandated by the Governing Council. Each activity of the global and interregional programmes planned for the fifth cycle addresses two or more of these areas of focus.

129. Tropical diseases such as malaria river blindness, sleeping sickness and leprosy, are virtually unknown in the industrialized world. Only a limited amount of commercial research into their prevention and cure has been undertaken. Therefore, a major initiative in this area has been launched by the global programme, the World Health Organization (WHO) and the World Bank. Their joint $30-million-a-year Special Programme of Research and Training in Tropical Diseases (TDR) has developed new weapons in the war against tropical diseases at the rate of about five a year since it was launched in 1974. These include drugs, diagnostic tools and means of destroying the carriers of tropical diseases, such as mosquitos and tsetse and black flies. In the Gambia, TDR backed the development of bed nets impregnated with permethrin, an insecticide harmless to humans but deadly to mosquitos. The incidence of malaria dropped by 70 per cent. In India, TDR-sponsored research came up with a mix of the drugs dapsone, rifampicin and clofazimine that cures even the most severe cases of leprosy in three years.

130. One in every 250 adults in the world is infected with the HIV virus, according to the WHO Global Programme on AIDS (WHO/GPA), which estimates that by the year 2000, there will be a total of 40 million HIV-infected persons, of which 10 million will be children. By then, 9 out of 10 new infections will take place in developing countries. Since 1987, UNDP has provided more than $30 million for national prevention and control programmes. The first UNDP/WHO meeting on AIDS drugs and vaccine supply with pharmaceutical industry leaders was held in May 1991. This is to be followed by DGIP support for accelerated research and development of AIDS drugs and vaccines with particular emphasis on their availability in developing countries.

131. In a related effort, the global programme is supporting work to improve the worldwide supply of affordable, high quality anti-tuberculosis drugs to reduce the incidence of this contagious disease. Already, 8 million people a year develop tuberculosis, and nearly 3 million of them die. The disease has recently become even more threatening because due to immunosuppression, HIV-infected persons are far more likely than others to develop tuberculosis once infected.

132. UNDP is being increasingly called on for broad-based assistance to strengthen national capacity to respond to the epidemic in a comprehensive and integrated manner. Working with WHO, other United Nations specialized agencies, bilateral donors, NGOs, the new UNDP HIV and Development Programme has initiated a broad spectrum of activities. These include a training programme on the epidemic as a development concern, networking with community-based and professional groups on activities related to behaviour change and support systems to minimize the psychological and social impact of the epidemic and strengthening institutions to address its inevitable economic and social consequences.

133. Through the UNDP/WHO Programme for Vaccine Development (PVD), the global programme supports biomedical, applied and operational research to upgrade and develop vaccines to safeguard against diphtheria, tetanus, tuberculosis, polio, measles and whooping cough, as well as acute respiratory infections and diarrhoeal diseases, among many others. In 1991, funds from PVD supported 80 vaccine development projects around the world. In addition, through 1991 a training course associated with PVD, supported by Switzerland, trained 580 scientists from more than 80 developing countries in vaccinology, immunology and biotechnology.

134. Every year, half a million women die during pregnancy or within six weeks of delivery. Millions more become disabled from complications associated with pregnancy and childbirth. Ninety-nine per cent of the deaths occur in developing countries. The interregional programme works closely with Governments and other groups to strengthen national capacity and develop policies that will make immediate contributions towards reducing maternal deaths and disabilities.

135. With funding from UNDP and technical cooperation from WHO and Columbia University's Center for Population and Family Health, Senegal became the first developing country to establish a national plan to reduce maternal deaths. This has created interest among a number of donors in funding implementation of the plan. Last year, 614 pregnant women participating in a pilot project were referred to the district maternity ward. Not one died during childbirth. The results were remarkable for a country where over 1,800 women a year die of pregnancy related causes.

136. Problems such as tropical deforestation, desertification and soil erosion, urban air pollution, acid rain, global warming and ozone depletion are attributable, to greater or lesser degrees, to energy consumption. One thrust of the joint UNDP/World Bank Energy Sector Management Assistance

Programme (ESMAP), is to encourage Governments to incorporate environmental issues into the energy planning process. An ESMAP study located two sites in India suitable for placement of wind generators to produce a combined total of 75 megawatts of electricity. Twenty-six other potential sites were identified in four other provinces. In Rwanda, ESMAP helped develop private sector production and marketing of improved charcoal stoves in the capital of Kigali. The more efficient stoves reduce household consumption of charcoal by about 35 per cent on average. Improved charcoal-making techniques have also been developed that more than double the yield from the same amount of wood.

137. The urban management programme is a global undertaking to assist burgeoning cities in land management, infrastructure management, municipal finance and administration. Financed by the interregional programme and executed by the World Bank in association with the United Nations Centre for Human Settlements (HABITAT) (UNCHS), the urban management programme has been active in 45 countries. In Uganda, a new environmental management act is being prepared with assistance from the UNCHS/urban management programme team in collaboration with the United Nations Environment Programme (UNEP). It will spell out the roles to be played in managing the urban environment by municipal authorities, NGOs and individuals. In Tanzania, a UNCHS/UNDP project for managing sustainable growth and development has been designed to help strengthen the capacity of Dar-es-Salaam to plan, coordinate and manage the interface between development and environment.

138. Many developing countries are turning to UNDP for help in rationalizing or divesting nationalized and parastatal industries that represent a heavy drain on tightly stretched national budgets. The interregional programme has established a network on privatization that will quickly assemble, analyse and disseminate experiences from a developing country perspective. It has published a number of case studies and helps Governments run privatization workshops for senior officials. The day after the change of Government in Panama, a request came in for assistance from the network. An expert arrived in Panama City the following day and within three weeks all the relevant government ministers participated in a workshop where options for and implications of privatization policies were discussed. Similar workshops have been organized in Hungary, Myanmar, Nepal, Poland, Trinidad and Tobago and Uganda.

139. The UNDP/World Bank Trade Expansion Programme helps countries, at their request, to identify principal constraints to trade expansion. A multi-expert assessment team typically examines trade restrictions and exchange rate policy, other macroeconomic and sectoral policies affecting trade and the social and economic costs of implementing new policies. In May 1991, the Moroccan Parliament liberalized import and export regulations for goods and services generally in line with the recommendations of a trade expansion programme team. In 1992, this will be followed by a reduction in tariffs from 45 per cent to 35 per cent.

140. Cumbersome and inefficient customs procedures pose profound obstacles to the growth of trade and revenues in developing countries. The highly

successful Automated Systems for Customs Data (ASYCUDA) software programme is being installed, tested and refined under the Trade Facilitation Programme of the United Nations Conference on Trade and Development (UNCTAD), which through 1991 had received commitments of approximately $15 million from UNDP. ASYCUDA is operating or being installed in 41 countries and interest has been expressed in the system by another 40.

IV. FUNDS ADMINISTERED BY THE UNITED NATIONS DEVELOPMENT PROGRAMME

A. United Nations Capital Development Fund (UNCDF)

141. UNCDF began 1991 with a review of its programming process. The goal was to increase the efficiency of the process and to achieve greater degrees of coordination and harmonization with UNDP.

142. The Fund's activities continued to be driven by the national priorities and by the areas of focus of UNDP, especially poverty eradication and grass-roots participation, women in development and environmental protection. The high degree of programme coordination and complementarity is amply demonstrated by the new UNCDF activities developed for Central African Republic, the Gambia, Bangladesh, Mauritania and Cape Verde.

143. Project quality and efficient implementation modalities are given particular attention when designing new projects to ensure maximum and timely results. For example, in Bangladesh, the newly approved Deep Tubewells project will be managed and implemented by a private entity, the Grameen Agricultural Foundation, based on the principles of cost recovery and efficiency. Gradually, a form of partnership and co-management of deep tubewells will be introduced whereby the beneficiaries - the landless groups - will be provided the opportunity to own and operate the assets in a joint venture with the Grameen Agricultural Foundation.

144. To the extent feasible, the Fund promotes the subcontracting of qualified national companies and maximum user participation. For instance, in Laos, the construction of the Sayaboury-Paklai road will be implemented under professional service contracts with the National Road Construction Company of Luang Prabang and the National Bridge Construction Company. In Botswana, local contractors will carry out building works for four community junior secondary schools financed under a UNCDF loan for $4.8 million. In Malawi, 1,000 boreholes will be rehabilitated over a 30-month period and equipped with locally manufactured handpumps; 250,000 beneficiary villagers will be mobilized and organized for the operation and maintenance of these pumps.

145. During 1991, a total of 20 projects were evaluated. The findings of two evaluations are particularly noteworthy. The evaluation of the Nepal Biogas project showed that it is having a positive effect on the conservation of fuelwood and on the reduction of imported kerosene and chemical fertilizers. Most importantly, the project has made the rural population more conscious of

the environmental implications of deforestation. In the Gambia, the application of solar-voltaic technology as an alternative energy source in rural areas has greatly reduced the consumption of imported kerosene and improved the reliability of the energy supply in rural health centres.

146. A thematic review of participatory mechanisms within the programme activities of UNCDF was launched in order to assess the relation between the small-scale investment of UNCDF and its impact on the organization and mobilization of the beneficiary communities. Of the four case studies undertaken, two have been completed - one in Mali, the other in Guinea. The preliminary findings of these studies suggest that the area concentration approach has had a significant, positive impact on the lives of the population. For instance, in Fouta Djallon, Guinea, after only three years of implementation, the project has successfully mobilized the farmers into groups and instilled a remarkably high level of beneficiary motivation and participation in the operational activities of the project. A positive impact was registered on the lives of the women's groups who are now engaged in economically viable income-generating activities.

147. The Fund also plays an active role in stimulating dialogue on development policies between LDC policy-makers and donor countries. In this respect, as a timely follow-up to the Second United Nations Conference on Least Developed Countries, the Fund took the initiative to organize a post-conference meeting held in Tokyo in May, under the sponsorship of the Government of Japan. The Tokyo Forum stimulated an exchange of views on development policies between high-level policy makers in LDCs and selected bilateral and multilateral donors.

148. The year 1991 marked the twenty-fifth anniversary of the establishment of UNCDF as a multilateral agency providing small-scale capital assistance to LDCs and other countries regarded "as if" LDCs. It was also a record year for UNCDF in terms of new project commitments which reached $82 million for the first time. However, with contributions for 1992 standing at an estimated $38 million compared to $42.6 million for 1991, the target for new approvals for 1992 has been reduced to $55 million. This situation has come at a time when six countries (Cambodia, Namibia, Zaire, Zambia, Madagascar and Solomon Islands) have been designated as LDCs or "as if" LDCs. The Administrator remains confident that contributions to the Fund will again increase in future years and allow it to regain its programme development momentum.

B. United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE)

149. UNRFNRE has five ongoing mineral exploration projects: gold in Bolivia and pyrophyllite in China, Guatemala, Honduras and the Philippines, as detailed below.

150. The Fund received its first replenishment contribution payment. The payment resulted from the chromite discovery in the Philippines, which already has led to production by local small-scale miners.

151. In its interim report to the Government of Guatemala, UNRFNRE announced the discovery of the El Pato gold deposit with a reserve initially estimated at 2.0 million tonnes of ore containing 7 grammes per tonne of gold. UNRFNRE is assisting the Government to arrange international competitive bidding for a feasibility study and later to develop the deposit.

152. For the Government of Honduras, UNRFNRE prepared a final report identifying a gold and silver deposit in the Yucaran area and copper, zinc, lead, silver and gold deposits in the Quita-Gana area. These deposits appear to be economically viable and should provide UNRFNRE with income from replenishment contributions.

153. In addition to the mineral exploration projects, UNRFNRE was also involved in the preparation of environmental guidelines for the mining sector in developing countries.

154. Contributions pledged to UNRFNRE for 1992 totalled $3.3 million not counting the replenishment payment referred to above.

C. United Nations Fund for Science and Technology (UNFSTD)

155. UNFSTD is unique in the United Nations system since it is now receiving all its core resources from developing countries - 25 in all. However, contributions remain at a very low level: for 1992 they totalled $0.8 million. In 1991 the Fund focused its activities on five areas: (a) science and technology policy; (b) technological innovation and entrepreneurship; (c) information technology; (d) quality control and maintenance; (e) new and renewable energy.

156. At the core of the Fund's activities is endogenous capacity-building in science and technology, conceived at the Vienna Conference on Science and Technology and now implemented in Viet Nam, Pakistan, Jamaica, Cape Verde, Togo and Uganda. Its salient feature is the use of national consultants to prepare and carry out national science and technology workshops. This is complemented by a technology incubator programme in 12 countries and by projects geared to provide information technology and disseminate information about technology.

157. In the field of new and renewable sources of energy, the emphasis has been to provide reliable energy sources to meet the basic electricity needs of rural communities. In this context, UNFSTD, in cooperation with other multilateral and bilateral donors, participated in the formulation of measures aimed at disseminating and commercializing proven renewable energy technologies such as photovoltaics. UNFSTD also manages the Transfer of Knowledge through Expatriate Nationals (TOKTEN). Over 30 countries benefit from this scheme, which expanded rapidly in Eastern Europe in 1991.

D. United Nations Sudano-Sahelian Office (UNSO)

158. UNSO gives particular emphasis to the sustainable utilization of natural resources, especially the need to monitor the environment, to integrate environmental matters with other development issues, and to ensure that Governments have adequate institutional capacity in these fields. During the period under review, UNSO cooperated with 19 of the 22 Sudano-Sahelian countries to enhance capacity in planning and coordination for the sustainable management of the environment.

159. At the national level, support was given to the consolidation of mechanisms within Governments to ensure the sustainability of the planning activities undertaken. Strategic framework exercises were launched in Cameroon, Cape Verde and Senegal. Assistance continued to the national conservation strategy in Ethiopia and institutional support was provided to the United Republic of Tanzania and to Uganda.

160. At the international level, closer cooperation was fostered with other organizations, such as the World Bank, World Conservation Union (IUCN) and FAO, in order to enhance the effectiveness of aid by harmonizing the different initiatives already in place in several of the Sudano-Sahelian countries. The countries involved in such harmonization exercises were Benin, Burkina Faso, Gambia and Togo.

161. In response to General Assembly resolution 44/172 Of 19 December 1989, UNSO continued to support the preparatory process for UNCED, with particular emphasis on the drought and desertification issue. Support continued to the national committees and to the formulation of national reports. By the end of the year, 18 of these were complete and had been forwarded to the UNCED secretariat.

162. In order to further the consultative process among the Sudano-Sahelian countries in preparation for UNCED, UNSO, working in a joint support committee with the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS) and the Intergovernmental Authority for Drought and Desertification (IGADD), organized the meetings which resulted in the identification of regional priorities as set out in the Sudano-Sahelian Platform for action. This in turn served as an important input to the African common position on the issues to be raised at UNCED, which was finalized at the African Ministerial Conference held in Abidjan in November.

163. National components of regional programmes for the provision of tree seeds for land rehabilitation were initiated in Ethiopia, Djibouti, Sudan and Uganda. Village-based natural resources management for the promotion of local control and management of the productive resources and full popular participation in development are ongoing in Burkina Faso, Ethiopia, Mali, Mauritania, Niger, Senegal and Sudan. The conceptual development of this approach is carried on in part through the UNSO Sahel Programme financed by the Swedish International Development Agency, as well as through collaborative work with NGOs active in this field. Preliminary work in identifying viable

approaches for pastoral community development, with an emphasis on community participation was also supported and will be implemented in Kenya and Sudan. In an effort to strengthen the grass-roots aspects of UNDP and UNSO activities, an innovative UNSO project was initiated which seeks to define further and to test methods of participatory evaluation in both NGO and multilateral project contexts.

164. Resources pledged to UNSO for 1991 totalled $7.6 million and an additional $7.7 million were received on a multi-bi basis. Over 100 projects throughout the Sudano-Sahelian region were being supported.

E. United Nations Development Fund for Women (UNIFEM)

165. UNIFEM provides technical assistance and funding to low-income women who are striving to raise their living standards. It also funds activities that bring women into the mainstream development process. UNIFEM total income in 1991 from all sources was $12.9 million. Projected income for 1992 is $14 million, an increase of 8.5 per cent.

166. UNIFEM supports activities that fall within four key areas: agriculture and food security; trade and industry; human resource development; and emerging issues. In all aspects of programming, UNIFEM links grass-roots activities to national planning and policy decision-making. It is critical that policy-makers have a better understanding of how their decisions affect the daily lives of women at the grass-roots level. It is essential that these women understand both how policies can affect them and how they can organize themselves and participate in policy-making decisions.

167. In the Africa region, strategies to foster food security and address the important contribution of women to domestic agricultural production must work at both the household and national levels. In Togo, a local NGO has received assistance to develop an innovative agricultural training curriculum for girls. So far, two classes of women who have graduated have formed cooperatives with periodic technical advisory services and credit for tools, seeds and livestock. However, while this kind of support helps the women directly involved, in order to ensure that overall favourable conditions for female farmers will be maintained, initiatives must be aimed at the national policy level as well. For instance in the Gambia, UNIFEM has supported the Women's Bureau, operating directly under the Office of the President, in its mandate to advise the Government on all policies and programmes related to the contribution of women to national development. Through the provision of data, research and vigilant advocacy, the Bureau has made important contributions to the formulation of more gender-responsive agricultural policies and has influenced the policies of major financial and aid institutions delivering resources to women farmers.

168. In the Asia region, UNIFEM has focused attention on the roles that women play in developing and sustaining integrated farming systems through their management of natural resources. Specifically, the Fund has supported "women

peasant summits" in India, Nepal, Pakistan and Bangladesh, culminating in a subregional meeting in Lahore, Pakistan. This has provided a vehicle for grass-roots women's concerns to be brought to the attention of decision-makers and to be integrated into national development policy. It has also created an opportunity for women, environment and development issues to be on the agenda of national delegations to UNCED.

169. In Latin America, UNIFEM has aimed to increase women's economic contributions through greater access to improved technologies. For example, three rural training centres in Peru have been successfully supported to impart improved food processing techniques to women producer groups at the grass-roots level. Well over 100 women now have a diversified range of new skills which they have used to establish profitable small-scale businesses. Based on such successes, UNIFEM has now designed and commenced implementation of a regional Andean programme which aims to improve the economic and political environment within which such technology transfer can take place. Activities include increasing the awareness of policy-makers of the importance of women's access to technology, as well as support to information and exchange programmes which increase women's own ability to share knowledge and experience.

F. United Nations Volunteers (UNV)

170. At the end of 1991, UNV had 2,061 UNV Specialists and Domestic Development Services (DDS) field workers serving in 116 countries. Most UNV specialists continued to work in the areas of agriculture and rural development, public health, education, and support to grass-roots organizations. However, several trends were discernible in the roles UNV specialists have been asked to play: greater sophistication in technical roles, supervisory responsibilities in projects executed by United Nations specialized agencies and, in general, greater emphasis on the UNV capacity-building contributions, especially training.

171. With increased emphasis on capacity-building and using national talent to the full, UNV has been encouraging the use of an optimal mix of international and local volunteers in carefully structured teams to bring about the necessary application of skills and experience. The concept of national United Nations Volunteers was first experimented with in 1991 in the Sudan.

172. A new departure for UNV has been the organization of humanitarian relief assistance activities in response to emergency situations, by providing United Nations partners such as the United Nations Disaster Relief Organization (UNDRO), the Office of the United Nations High Commissioner for Refugees (UNHCR), the World Food Programme (WFP) and UNICEF and with UNV specialists in urgently needed fields, such as transport and logistics, health, water supply, and basic infrastructure. The first case was Liberia, followed by interventions in Iraq and the Persian Gulf, where again the response had to be immediate. To make a more effective contribution to the United Nations system-wide emergency response being organized through the General Assembly,

UNV is focusing on special recruitment efforts, special procedures for project and assignment planning, and on improved coordination with user agencies and donors.

173. UNV has been building on its broad experience with development support for grass-roots organizations through DDS activities. DDS has expanded its country-level, IPF-funded operations from two to seven over the past year, with six more under formulation. Donor interest in this programme has resulted in contributions from Austria, Japan, Netherlands, Switzerland and the United Kingdom, in addition to the continued collaboration of Germany.

174. Going beyond the DDS approach, UNV has been systematically expanding its support for community-based initiatives in a number of areas, together with local NGOs and community-based organizations (CBOs). First, programming work was undertaken for UNV specialists and field workers to help local communities to cope with the socio-economic impact of the HIV/AIDS epidemic in several African countries: Zambia, Zaire, Malawi, Chad and Central African Republic, as well as in regional programmes for Africa and for Asia and the Pacific. Second, three pilot projects were drawn up to support the work of low-income squatter communities in Jamaica, Fiji and Indonesia. Third, programmes have been developed where UNV specialists and grass-roots field workers can bring the basic-needs concerns of low-income communities to national policy-making ministry levels. Such active UNV programme management roles have been in rural development in Lesotho and Chad, small-scale credit in the Gambia, and a programme of support to women's initiatives in Pakistan.

175. UNV held its third intergovernmental meeting in December 1991 in Kathmandu, after a period of 5 years, to coincide with the twentieth anniversary of the establishment of UNV. More than 60 participating Governments, together with international development agencies, gave their support to enlarging the role of UNV in people-centred development and provided guidance on a wide range of issues central to the future of the organization. Special emphasis was given in the Kathmandu Statement, issued from the meeting, to the role of volunteers, especially United Nations volunteers in sustainable local resource management. This issue is being considered in the UNCED dialogue.

G. Special Programme Resources (SPR)

176. Against a total amount of $189.5 million approved by the Governing Council in SPR earmarkings for the fourth programming cycle, 1987-1991, budgets had been approved for an amount of $178 million at the end of 1991. Council decision 90/3 authorized the Administrator to overprogramme by 15 per cent the earmarkings for disaster mitigation and programme development; budgets in the category of programme development exceeded the earmarking by 6 per cent at the end of 1991. However, for the Management Development Programme, which was established by the Council in decision 88/31 of 1 July 1988, budgets at the end of 1991 were still 20 per cent less than the $60 million earmarking, which more than offset the overprogramming for programme development. Budgets for

the Programme of Assistance to the Palestinian People and the Special Plan of Economic Cooperation for Central America have also not yet reached the level of the earmarking.

177. Expenditures in 1991 are projected to reach $50 million, and expenditures for the fourth cycle, are projected to reach $150 million. The final figures will depend on the apportionment of expenditures between SPR and cost-sharing, which has not yet been completed.

178. The following approvals of projects in 1991 are indicative of the size and scope of the programmes financed from SPR. Under the category of disaster mitigation, 30 allocations of $50,000 or less were issued for disaster emergency assistance. Eight disaster rehabilitation projects were approved, ranging from $65,000 to the $1,000,000 provided to Bangladesh following the disastrous floods in April 1991. Projects have been approved for the entire $4 million allocated for assistance to countries affected by the Persian Gulf crisis. Under the category of new initiatives and innovative approaches, several projects were approved in the area of environment and support to UNCED. In the area of technical cooperation among developing countries (TCDC), and after an in-depth review of the ongoing projects, a major project for the promotion of TCDC was approved. Under the Management Development Programme, 12 additional country projects were approved, bringing the total to 57 at the end of the year.

179. During 1991, the Governing Council earmarked $313 million for the fifth cycle for 26 SPR categories. At its resumed thirty-eighth session in September 1991, the Council received programming documents for 23 of these categories. The documents were considered from the viewpoint of several criteria, including the catalytic nature of the proposed activities, the contribution of SPR to the increased effectiveness of technical cooperation, the involvement of the United Nations system and the responsiveness of the activities to national priorities. The Council requested that revised programming documents be prepared to reflect these criteria more systematically. At its special session in February 1992, the Council approved revised programming documents for 25 SPR categories. One category, the Social Dimensions of Adjustment, will be submitted to the Council at its current session.

V. OTHER MAJOR PROGRAMMES

A. Technical cooperation among developing countries

180. The ultimate goals of TCDC are the promotion of national and collective self-reliance by the developing countries and the broadening of the base for international technical cooperation through South-South exchanges of experience, expertise, technology, and the sharing of facilities.

181. With a view to developing an effective strategy for TCDC in the 1990s, the major categories of activities and mechanisms supported by the Special

Unit for TCDC during the fourth cycle were evaluated during 1991. The findings and recommendations of these evaluations have been fully taken into account and included in the development of a coherent strategy for TCDC during the fifth cycle and beyond. These include: integration of the TCDC modality into national development activities and in the programmes and activities supported by the United Nations development system; increased efforts to focus SPR resources on strengthening the capacity of developing country institutions to apply the TCDC modality; and the improvement of the quality and volume of information in the TCDC-INRES database.

182. In line with this strategy, the Special Unit for TCDC provided support during 1991 through a variety of activities.

183. Support was given to activities of a promotional and catalytic nature, leading to sustained exchanges among public and private sector institutions in the participating countries. Priority areas of concentration included: human resources development, food and agriculture, the environment, primary health care, transfer of technology, and South-South trade.

184. Capacities and needs matching exercises constitute a major effort for the promotion of TCDC. Three sector-specific exercises were held in 1991: the Philippines hosted a meeting to negotiate and finalize agreements in the food and agriculture sector with the participation of 22 countries. Proposals were identified for implementation through bilateral arrangements. Forty developing countries engaged in a similar exercise in New Delhi, with Indian institutions pledging 148 training opportunities through TCDC arrangements for the participating countries. Small and medium-scale enterprises for electronic goods were the focus of the third series of consultations held in Seoul, Republic of Korea, where public and private institutions from 23 developing countries finalized agreements. Thirty-four joint ventures were also agreed upon between private enterprises of the Republic of Korea and participating countries.

185. TCDC promotional activities were also undertaken by bringing participants together to exchange information and technology in specific subject areas such as: solar energy; biogas technology and practices; biotechnology and human health; behavioural change for the prevention of HIV/AIDS; environment and deforestation; low-cost housing construction technology; ethnobotany; and the promotion of technology-based enterprises. These activities have led to joint projects for training, the exchange of experts, and in some cases, agreements for the purchase of products.

186. In view of the critical importance of information about the capacities of developing country institutions to the promotion and facilitation of TCDC, the Special Unit continued to strengthen the TCDC-INRES information referral system. The limited decentralization of the system to outposted locations begun in 1990 was continued with the addition of several new sites. Training for managers and operators of these systems was provided during sessions organized at headquarters. As a result of continued vigorous promotion of TCDC-INRES, and recognition of its potential, use of the system greatly

increased during 1991 with TCDC-INRES handling more than 1,200 formal requests for referrals, as compared to 750 in 1990.

B. Humanitarian assistance

187. Tragically, both natural disasters and those caused by conflict continued to erupt in 1991. Details are provided in the Administrator's report to the Governing Council on humanitarian programmes, including refugees, displaced persons, returnees and the response of the United Nations Development Programme to emergencies (DP/1992/19).

188. Apart from responding with its own resources, UNDP is being increasingly called upon, through its own network of resident representatives, who normally serve as United Nations resident coordinators, to assist affected Governments with the coordination of donor assistance at the country level.

189. Faced with this situation, UNDP has responded in several important ways. In 1991, the Governing Council approved the establishment of the UNDP Humanitarian Programme, which is a small headquarters unit charged with providing direct support to field offices and headquarters line units. UNDP also implements, in conjunction with UNDRO, and in partnership with UNHCR, UNICEF, WFP and WHO, the Disaster Management Training Programme aimed at upgrading the skills of Government personnel, NGOs, and United Nations system staff. This training programme has also attracted considerable financial support from bilateral donors. UNDP continues to support the activities of the International Decade for Natural Disaster Reduction (IDNDR).

190. A newly emphasized programme area in 1991 was the development of joint programmes with UNHCR concerning the long-term development needs of refugees, internally displaced persons, returnees and host populations. This trend is expected to continue, in particular in Africa, Central America and Cambodia.

191. At the end of 1991, UNDP was supporting IPF-funded projects totalling approximately $40 million with the direct objective of reducing vulnerability to disasters. Many other projects supported by UNDP, for example in the areas of forestry, food security or low-cost housing, play vital indirect roles in disaster mitigation.

192. Of major importance was General Assembly resolution 46/182 of 19 December 1992 on the strengthening of the coordination of humanitarian emergency assistance of the United Nations. The resolution's emphasis on the links between disasters and development, upon the central and unique leadership role that the United Nations system is called upon to assume and the emphasis placed upon the resident coordinator's role, will provide direction and guidance to UNDP in the years ahead.

C. Inter-Agency Procurement Services Office (IAPSO)

193. Emphasis was placed on standardization of various items of equipment and negotiation of preferential prices for all United Nations organizations. A major achievement was the standardization of motor vehicles for project and office use. Enhanced system-wide collaboration in the supply and management of motor vehicles may result in savings of $10-15 million per annum.

194. During the course of the year, the major landmark has been the development of the United Nations Common Coding System (UNCCS), which was adapted for implementation by the various United Nations organizations.

195. Intensive efforts were made to increase procurement from developing and underutilized major donor countries. IAPSO published catalogues on potential suppliers in Denmark, Finland, India, the Netherlands and Zimbabwe which were widely distributed to field offices and procurement offices of the United Nations system.

196. Field missions were organized to Argentina, Cuba, India, Kenya, Morocco, Nigeria and Zaire to identify potential suppliers and to brief the local business communities on how to market to the United Nations system. The IAPSO monthly bulletin "Procurement Update" and the annual publication General Business Guide continue to be well received.

197. In accordance with Governing Council decision 90/27, IAPSO prepared a comprehensive annual statistical report covering details of experts, consultants, national experts, fellowships and volunteers in addition to the traditional goods and services procured by various organizations of the United Nations system.

D. Office for Project Services (OPS)

198. As part of UNDP, OPS executes and implements projects and programmes funded by UNDP core resources, UNDP administered funds, other United Nations programmes and by bilateral and multilateral donors through management services agreements (MSAs). OPS provides implementation services to projects and programmes ranging from the overall management of project inputs to the provision of specific components such as procurement, contracting, recruitment and fellowships. OPS provides project management services mainly for multisectoral projects and for projects in areas or of types not covered by any other United Nations specialized agency.

199. The year 1991 was one of change for OPS. Following its rapid growth over the last decade and in response to concerns raised by the Governing Council, there was a need to introduce a strategy of consolidation and growth management. Furthermore, internal measures were required to adapt OPS to the high volume of work and to take account of the new support costs arrangements and the need to decentralize project management. Based on a thorough, internal management review conducted in the first half of 1991, OPS initiated

a comprehensive restructuring. The main objectives of this restructuring were to improve OPS responsiveness to its partners, to increase its operational efficiency, to strengthen strategic planning, and to facilitate decentralization. The structure of the OPS operations divisions has been changed to reflect geographical distribution as well as sectoral specializations. A start was made on streamlining rules and procedures, including the delegation of authority. An integrated OPS information system, which will significantly facilitate project budget management, is being established.

200. OPS adopted a more selective project acceptance policy, based on the principles of added value, quality services and transfer of project management skills as appropriate. In 1991, the number of new projects accepted by OPS declined by about 10 per cent, from 450 to 410, with a slight decrease in the total value of project budgets compared to the previous year. Among the new projects accepted, OPS will be cooperating agency for 43 nationally executed projects, valued at $27 million. By the end of 1991, the total OPS portfolio consisted of 1,702 active projects, of which 1,565 are OPS executed and 124 government executed: for 13 of the latter, OPS acts as associate agency.

201. OPS handled a portfolio of projects with budgets totalling $506 million for 1991: 49 per cent ($247 million) funded by UNDP core funds, 22 per cent ($113 million) by United Nations and UNDP trust funds, and 29 per cent ($146 million) by MSAs. Net of cost-sharing, OPS executed approximately 11 per cent of the total UNDP core funded projects. Total expenditures reached approximately $350 million, an increase of 22 per cent compared to the previous year.

202. Through subcontracts, OPS utilizes the expertise of private, semi-private and public companies and institutions, selected on a competitive basis. In 1991, OPS awarded 492 subcontracts for a total value of $51 million, and 57 subcontract amendments, totalling $7 million.

203. In order to make the best use of expertise available within the United Nations system, particularly for the implementation of multisectoral projects, OPS entered into 106 new interagency agreements to secure United Nations agency involvement in the implementation of specific project components.

204. In 1991, OPS employed an estimated 2,019 individual international consultants, 1,799 national professionals and 1,700 local support staff. Also, 464 international experts were employed. Additionally, a total of 960 persons, of which around 21 per cent were women, benefited from fellowships (409), study tours (101) or training/conferences (450), an increase of 20 per cent compared to the previous year.

205. The total value of supplies and equipment procured for OPS projects in 1991 is estimated at $105 million, representing a 21 per cent increase over 1990. Road construction machinery, electronics equipment and motor vehicles remained the major categories of procured items.

206. The increase in procurement stems mainly from the Japanese Procurement of Commodities Programme (JPP), which finances the purchase of commodities in 18 LDCs with untied grants. In 1991 procurement under the JPP rose to $73 million, a 33 per cent increase over the previous year. In September 1991, OPS responded to an emergency request from Mongolia and assisted the country in procuring $15 million worth of urgent supplies, also funded by the JPP. All the items were purchased before the end of the year.

207. OPS assists Governments in the disbursement of loans and grants through MSAs. In 1991, OPS entered into 38 new MSAs: 12 involving development banks; 12 from IFAD; and 14 from bilateral donors or the recipient Government itself. At the end of the year, the total number of active MSA projects was 165, which is 11 more than by the end of 1990. The proportion of OPS projects implemented under MSAs remains roughly equivalent to prior years, accounting for 11 per cent of the total number of active projects, while the share in value remained around 30 per cent (excluding IFAD loan disbursements). Expenditures under MSAs amounted in 1991 to $155 million, an 8 per cent increase from $144 million in 1990.